

# CONTRACTING FOR BEST VALUE

## A BEST PRACTICES GUIDE TO SOURCE SELECTION

TECHNIQUES AND PRACTICES FOR SELECTING THE BEST VALUE SOURCE

**PLANNING**

**TEAMING**

**DIALOGUE WITH INDUSTRY**

**ORAL PRESENTATIONS**

**EVALUATION**

**PAST PERFORMANCE**

**COMPETITIVE RANGE**

**DEBRIEFINGS**



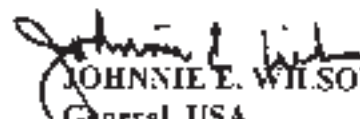


## FOREWORD

This guide provides techniques and practices for obtaining best value products and services through source selection. Consistent with the spirit of acquisition reform, it introduces new and innovative techniques to simplify the source selection process and produce better value. Its purpose is to provide you with a practical reference tool that will help you implement a new way of doing business that promotes flexibility, streamlining, and simplified procedures.

This guide is designed for use by the entire acquisition workforce to promote a consistent understanding of best value and the various processes and techniques that can be used to achieve it. It explains best practices for planning your source selection, teaming, exchanging information with industry, and conducting efficient and effective source selections.

I encourage you to read and use this guide in your efforts to get the best value for your customers.

  
**JOHNNIE E. WILSON**  
General, USA  
Commanding  
U.S. Army Materiel Command

## ACKNOWLEDGMENTS

We are issuing this guide to help the acquisition community and its customers conduct efficient and effective source selections that produce better value. It should be used in conjunction with existing regulations.

This guide was a team effort. Shelley Scott, Jim Bozzard, Ann Budd, and Sally George consolidated, revised, and updated the guide to reflect the latest acquisition reform initiatives. We thank Diane Travers of the AMC Office of Command Counsel for her assistance and special contributions. We also extend our thanks to Curtis Stevenson from the Army staff for his support and advice. Finally, we acknowledge and thank all of the Source Selection Improvement Integrated Product Team members and the individuals within their networks across the Army who reviewed the drafts, contributed invaluable comments and recommendations, and so graciously shared their knowledge and experience.

We encourage you to share this guidance with those who may benefit.

We are distributing only a limited number of hard copies since we have made the guide electronically accessible as follows:

You may view, download and provide feedback on this guide via the Internet through the AMC Source Selection Resource Center at <http://www.amc-acquisition.net>.

This guide is also included within the DOD Acquisition Deskbook, accessible via the Internet at <http://www.deskbook.osd.mil> or on CD-ROM.

The Source Selection "**Blueprints**" referenced throughout the guide are designed to be living models for commonly used source selection documents. While they are not available with this hard copy, they may be accessed electronically.

This pamphlet does not create any substantive or procedural right in third parties or impose any specific legal duty or obligation upon any government organization or employee.

**DEPARTMENT OF THE ARMY  
HEADQUARTERS, UNITED STATES ARMY MATERIEL COMMAND  
5001 EISENHOWER AVENUE, ALEXANDRIA, VA 22333-0001**

AMC PAMPHLET  
NO. 715-3

1 January 1998

**Procurement**

**CONTRACTING FOR BEST VALUE  
A BEST PRACTICES GUIDE TO SOURCE SELECTION**

*This guide consolidates and updates all AMC source selection guides into a single document that includes separate appendices on past performance, oral presentations, and debriefings. It should be used to promote best value in source selection.*

**Table of Contents**

	Page
<b>Overview</b>	<b>1</b>
What is Best Value?	1
Purpose of This Guide	1
Importance of the Source Selection Authority	2
Importance of Procurement Integrity	2
<b>Planning for Source Selection</b>	<b>3</b>
Designing an Acquisition Strategy	3
Forming a Team	3
Researching the Market	3
Determining the Source Selection Approach	4
<i>The Tradeoff Process</i>	4
<i>The Lowest Price Technically Acceptable Process</i>	6
Conducting a Presolicitation Dialogue with Industry	7
Drafting a Source Selection/Evaluation Plan	9
<i>Purpose of the Source Selection Plan</i>	9
<i>Guidelines for a Source Selection Plan</i>	9
Selecting Evaluation Factors and Subfactors	10
<i>Cost Factors</i>	11
<i>Past Performance</i>	12
<i>Technical Factors</i>	12
<i>Best Practices</i>	13
<i>Weighting the Factors and Subfactors</i>	14

---

\*This pamphlet supersedes AMC-P 715-3 Vol. 1, 8 Jan 87; AMC-P 715-3 Vol. 2, 9 Oct 87; AMC-P 715-3 Vol. 3, 18 Mar 87; AMC-P 715-3 Vol. 4, 15 Sep 93; AMC-P 715-3 Vol. 5, 16 Aug 94; and AMC-P 715-3 Vol. 6, 24 Jan 95.

Developing Evaluation Standards	15
Establishing a Rating Method	15
<b>The Solicitation</b>	<b>17</b>
Performance Requirements	18
Proposal Submission Information	19
Proposal Evaluation Information	20
<b>Evaluation Considerations</b>	<b>21</b>
Overview	21
Reasons for the Evaluation Process	21
Evaluation Process Tasks	21
<i>Familiarization</i>	22
<i>Cost Evaluations</i>	22
<i>Past Performance Evaluations</i>	23
<i>Technical Evaluations</i>	23
<i>Identifying Proposal Ambiguities and Inadequate</i>	
<i>Substantiation</i>	23
<i>Identifying Strengths, Deficiencies,</i>	
<i>Significant Weaknesses, and Risks</i>	24
<i>Consensus</i>	25
Exchanging Information with Offerors	25
<i>Who's in Charge?</i>	25
<i>Establishing the Ground Rules</i>	25
<i>Award Without Discussions</i>	26
<i>Requesting Clarifications</i>	
<i>When Awarding Without Discussions</i>	26
<i>Holding Communications</i>	26
<i>Establishing the Competitive Range</i>	27
<i>Conducting Discussions</i>	28
<i>Obtaining Proposal Revisions</i>	30
<b>Selection Decision</b>	<b>31</b>
Making the Cost/Technical Tradeoff Analysis	31
Documenting the Proposal Comparison	33
Documenting the Selection Decision and	
Awarding the Contract	34
<b>Notification and Debriefing of Unsuccessful</b>	
<b>Offerors</b>	<b>35</b>
<b>Lessons Learned</b>	<b>36</b>
<b>Top Ten Messages</b>	<b>37</b>
<b>Appendix A: Definitions</b>	<b>A1</b>
<b>Appendix B: References</b>	<b>B1</b>
<b>Appendix C: Tracking Sample</b>	<b>C1</b>
<b>Appendix D: Guidelines for Evaluating Past Performance</b>	
<b>in Source Selection</b>	<b>D1</b>

<b>Overview</b>	<b>D1</b>
<b>Introduction</b>	<b>D1</b>
<b>Role of Past Performance in Source Selection</b>	<b>D2</b>
Proposal Risk vs. Performance Risk	D2
Past Performance vs. Responsibility Determinations	D2
Past Performance vs. Experience	D3
When to Evaluate Past Performance	D3
<b>Planning the Past Performance Evaluation</b>	<b>D3</b>
Forming an Evaluation Group	D3
Objectives of the Evaluation Group	D4
Evaluation Group Membership and Training	D4
What Subfactors Should Be Used?	D4
Data Relevancy	D5
How Much Weight to Give Past Performance	D6
What are the Rating Categories?	D6
How to Evaluate No Past Performance	D7
What to Include in the Solicitation	D7
<b>The Past Performance Evaluation Process</b>	<b>D8</b>
How to Begin	D8
What Sources of Data are Available?	D9
Can the Evaluation Group Use Commercial References?	D9
Verifying Past Performance Data	D9
How to Collect Information	D10
Where to Conduct Telephone Interviews	D10
How to Conduct Telephone Interviews	D10
How to Document Telephone Interviews	D11
How to Assign Performance Risk Ratings	D12
Disclosing Past Performance Information to Offerors	D13
What to Include in the Assessment Report	D13
Reporting the Past Performance Evaluation Results	D14
How to Treat Past Performance Information	D14
<b>Improving the Evaluation Process</b>	<b>D14</b>
<b>Appendix E: Guidelines for Oral Presentations</b>	<b>E1</b>
<b>Overview</b>	<b>E1</b>
<b>Introduction</b>	<b>E1</b>
<b>What is an Oral Presentation?</b>	<b>E1</b>
<b>When Should You Consider an Oral Presentation?</b>	<b>E2</b>
<b>Planning for an Oral Presentation</b>	<b>E3</b>
Evaluation Factors and Subfactors	E3
Proposal Preparation Instructions	E3
Types of Information	E4
Timing of the Presentation	E5

<b>Preliminary Matters</b>	<b>E 5</b>
Selecting the Order of the Presentations	E5
The Facility	E5
Discussion of Ground Rules	E6
Recording the Presentation	E6
<b>Conducting the Oral Presentation</b>	<b>E 7</b>
Government Attendance	E7
Reviewing the Ground Rules	E7
Presenters	E7
Time Limit	E8
Exchanging Information With Offerors During the Oral Presentation	E8
<b>Evaluation of Presentations</b>	<b>E 8</b>
Documentation	E9
<b>Advantages of Oral Presentations</b>	<b>E 9</b>
<b>Conclusion</b>	<b>E10</b>
<b>Practical Hints on the Use of Oral Presentations</b>	<b>E11</b>
<b>Appendix F: Guidelines for Conducting Debriefings</b>	<b>F 1</b>
<b>Overview</b>	<b>F 1</b>
What is a Debriefing?	F1
Who is Entitled to a Debriefing?	F2
When Must a Debriefing be Conducted?	F2
Where is a Debriefing Held?	F3
Who Attends a Debriefing?	F4
<i>Government Personnel</i>	F4
<i>Debriefed Offeror Personnel</i>	F4
<b>Preparing for a Debriefing</b>	<b>F 5</b>
<b>What Materials Should Be Brought Into the Debriefing Room?</b>	<b>F 5</b>
<b>Debriefing the Unsuccessful Offeror</b>	<b>F 6</b>
Who's in Charge?	F6
Introduction	F6
Ground Rules	F6
Handling Questions	F6
Source Selection Process	F7
Evaluation Factors/Subfactors	F7
Evaluation Results	F7
<i>Preaward Debriefings</i>	F7
<i>What Cannot Be Disclosed! (Preaward)</i>	F7
<i>Postaward Debriefings</i>	F8
<i>What Cannot Be Disclosed! (Postaward)</i>	F10
<b>Debriefing the Awardee</b>	<b>F10</b>
<b>The Postdebriefing Memorandum</b>	<b>F11</b>

## Overview

Source selection is the process used in competitive, negotiated contracting to select the proposal expected to result in the best value to the Government. The source selection approach must be tailored to the acquisition. You have to consider your evaluation needs; i.e., don't make source selection more complicated and expensive than necessary.

---

### What is Best Value?

---

In the broadest sense, best value is the outcome of any acquisition that ensures we meet the customer's needs in the most effective, economical, and timely manner. It's the result of the unique circumstances of each acquisition, the acquisition strategy, choice of contracting method, and award decision. Under this concept, best value is the goal of sealed bidding, simplified acquisition, commercial item acquisition, negotiated acquisition, and any other specialized acquisition methods or combination of methods you choose to use.

**Best Value is  
the goal of every  
acquisition**

---

### Purpose of This Guide

---

This guide provides information on the various processes and techniques that can be used to conduct efficient and effective source selections. We are

presenting some of the best and most innovative practices being used.

The principles in this guide apply to all source selections, both those that are complex and the majority where the contracting officer is the selection official. During acquisition planning, select the methodology that is most appropriate to the unique circumstances of the acquisition and expected to result in the best value.

Unless you use a lowest price technically acceptable evaluation approach, your source selection will involve some form of tradeoff. This guide's focus is on the tradeoff process and will provide some hints and ideas that will be useful in doing a tradeoff between cost or price and other important factors.

There are two important points to keep in mind as you do your planning and select your evaluation and source selection process:

- Tailor your process to fit your circumstances. There is no magic checklist in this arena. Consider the complexity of the acquisition and resources available. Use a combination of techniques if it will work best for you and if it is fair.
- The same principles apply in selecting and executing a source selection process or technique, whether you are using a formally structured organization for a complex acquisition or a more streamlined process typical for the majority of source selections.



The Federal Acquisition Regulation (FAR) prescribes the general policies governing source selection.

Appendix A of this guide contains definitions of certain words and terms associated with source selection.

Appendix B contains references along with their Internet addresses to assist you further in contracting for best value and conducting a source selection.

The Source Selection "**Blueprints**" referenced throughout this guide are models for commonly used source selection documents and procedures and should be tailored to each individual acquisition. They may be accessed only on electronic versions, e.g., <http://www.amc-acquisition.net>

---

## Importance of the Source Selection Authority

---

The consequences of the selection decision can be far-reaching. In most cases the contracting officer is the selection official. In some acquisitions, or class of acquisitions, the agency head or other official may be the selection official, or will appoint someone else to make the selection. The source selection authority must be at a level that is fully accountable for the results of the decision and knowledgeable of the factors necessary to determine the best value. In addition, successful execution of an acquisition using the tradeoff process requires early involvement of the source selection authority so that person is prepared to make a

rational selection decision consistent with the solicitation. The amount of time and effort required obviously needs to be considered when making the appointment.

In a complex source selection, it may be useful to provide a number of briefings to the source selection authority early in the acquisition process and at critical steps throughout the process. This approach will ensure that the source selection authority knows the program and the acquisition process constraints. It also allows the source selection authority to readily express concerns and ideas that are likely to influence the final selection decision.

Examples of where source selection authority involvement is essential include approval of the source selection/evaluation plan and the solicitation.

---

## Importance of Procurement Integrity

---

There are stringent requirements for maintaining the integrity of the procurement process that **MUST** be adhered to by all participants involved in the source selection process. This includes both technical and contracting personnel. **Procurement integrity rules provide for both civil and criminal penalties for violations (see FAR 3.104).** The guiding principle behind these requirements is that all offerors are treated fairly and no one obtains an unfair advantage.

# Planning For Source Selection

## Designing an Acquisition Strategy

As soon as possible after a need to acquire products or services has been identified, an acquisition strategy meeting should be held. The attendees should include the person responsible for managing the program or project, acquisition and legal representatives, potential evaluation team members, and others as needed.

The strategy meeting should be used to determine the acquisition approach including the source selection process and techniques that will be most appropriate. The group should use the meeting to discuss the results of market research, potential evaluation factors, information that may be needed from offerors to support those factors, and other appropriate planning issues such as the timetables for the acquisition and who should be members of the evaluation team. The group should design a strategy that best reflects the specific requirement, the results of market research, and the risks associated with the acquisition. The information obtained in the strategy meeting will be used as a basis for developing the source selection/evaluation plan.

**Source selection  
is a team effort**

## Forming a Team

**"Blueprint" link "Typical Complex Team" and "Typical Non-Complex Team"**

Source selection should be a multidisciplined team effort from the earliest planning stages. The size and composition of the team should be tailored specifically to the acquisition. In complex source selections you may have a larger team (e.g., 8 to 10 people) from various functional disciplines. In streamlined source selections, however, the team may consist of one or more technical evaluators and the contracting officer, who is also the source selection authority. Whether the team is large or small, it should be established to ensure continuity and active ongoing involvement of appropriate contracting, technical, logistics, legal, user, contract administrators, and other experts to ensure a comprehensive evaluation of each proposal.

## Researching the Market

Market research is the first step in any acquisition and an essential part of designing every acquisition strategy. The acquisition team uses market research to obtain information on products and services available in the commercial marketplace. Market research is key in determining whether a need can be

met by a commercial item or nondevelopmental item and in identifying commercial practices associated with such items or services. It also has a key impact on your choice of appropriate evaluation factors, contracting method, and the amount and type of information to be included in proposals.

A thorough research of the market should be done as soon as needs are forecast and as part of acquisition planning. Sometimes it might be a one-person effort. Other times a team effort. A variety of techniques may be used to conduct market research and may include:

- Contacting knowledgeable individuals regarding market capabilities;
- Reviewing the results of recent market research;
- Querying government or commercial data bases;
- Participating in interactive, on-line communication;
- Reviewing catalogs and product literature.

---

## **Determining the Source Selection Approach**

---

One of the first steps in designing an acquisition strategy is to determine the source selection approach or combination of approaches that you will use to obtain the best value. At either end of the best value continuum,

are the tradeoff process and the lowest price technically acceptable process.

Other source selection processes can be designed to fit particular circumstances. You could tailor the process to combine elements of these two approaches. You could also use oral presentations as part of the proposal submission. The point is that the source selection processes or techniques must be appropriate to the acquisition.

### ***The Tradeoff Process***

Cost or price is always an evaluation factor in any source selection. However, many times you may have other factors that you also want to consider. You may need technical capabilities, qualifications, or experience that a low cost/price offeror may not possess. These factors may or may not be more important than cost/price, but they do have a strong bearing on the source selection decision. The source selection authority needs flexibility to select the best value that may not be the lowest price or the highest technically rated offeror. The decision will involve a comparison of the combination of noncost strengths, weaknesses, and risks and cost/price offered in each proposal and judgment as to which provides the best combination. The source selection authority will have to document the decision and why the selected source represents the best value to the government. This is the essence of the tradeoff process.

## **When to Use the Tradeoff Process: Strengths and Potential Pitfalls**

***Use the tradeoff process when it is essential to evaluate and compare factors in addition to cost or price in order to select the most advantageous proposal and obtain the best value.***

The tradeoff process is particularly appropriate if:

- The Government's requirements are difficult to define, complex, or historically troublesome;
- You expect measurable differences in the design, performance, quality, reliability, or supportability;
- Services are not clearly defined or highly skilled personnel are required;
- You are willing to pay extra for capability, skills, reduced risk, or other noncost factors, if the added benefits are worth the premium;

Always consider the strengths and potential pitfalls of using a tradeoff process to ensure that it is consistent with your overall acquisition strategy.

### **Strengths**

- Allows greater flexibility to subjectively compare technical and cost factors to determine the value

of the relative strengths, weaknesses, and risks of the proposals.

- Enables selection of the best approach among a range of solutions and increases the likelihood of selecting suppliers who are most likely to provide quality products and services, on time, and at reasonable cost/price.

- Takes advantage of the experience and independent judgment of the source selection official.

### **Potential Pitfalls**

- Using evaluation factors and subfactors that are not derived from the market place and do not accurately reflect the Government's requirements. This may result in award to an offeror that may not be the best value.
- Using too many evaluation factors and subfactors. A large number of factors and subfactors dilutes consideration of those which are truly important.
- Failure to make the appropriate investment in resources needed for a competent and defensible value analysis.
- An inherently subjective process, and thus more difficult to evaluate and document.

## Major Steps in the Tradeoff Process

The tradeoff process generally consists of the following steps:

- Designing a strategy that best reflects the results of market research and the specific circumstances of the acquisition.
- Establishing and documenting a source selection or technical evaluation plan. This plan includes the acquisition goals and objectives, identification and relative importance of evaluation factors and subfactors, the evaluation standards, and the selection process.
- Structuring the solicitation to effectively communicate the Government's requirements, mission objectives, the factors and subfactors, their relative importance, the information offerors must submit for evaluation against the stated factors and subfactors and the methodology for evaluating the proposals.
- Evaluating the offers on the basis of the source selection plan and the evaluation factors and subfactors in the solicitation and having discussions as needed.
- Comparing the strengths, weaknesses, risks, and cost/price or most probable costs of the proposals and deciding which combination, in accordance with the solicitation factors and subfactors, represents the best value.
- Documenting the source selection

decision including the tradeoffs and rationale used.

- Awarding the contract, notifying offerors and debriefing them upon their request.
- Documenting the lessons learned that may benefit future source selections.

## The Lowest Price Technically Acceptable Process

In some situations, simply comparing the cost or price of proposals meeting or exceeding the solicitation's requirements for acceptability can be expected to result in the best value. In such cases, cost/price is the overriding consideration. While there may be a need for discussions there is no need to make tradeoffs.

The lowest price technically acceptable process is similar to a sealed bid approach in that award is made to the acceptable offeror with the lowest evaluated cost or price. The major difference is that discussions can be held with offerors prior to source selection to ensure offerors understand the requirements and to determine acceptability. Tradeoffs are not permitted and no additional credit is given for exceeding acceptability. However, proposals are evaluated to determine whether they meet the acceptability levels established in the solicitation for each noncost evaluation factor and subfactor.

The lowest price technically acceptable process may be appropriate where the

requirement is not complex and the technical and performance risks are minimal, such as acquisitions where service, supply, or equipment requirements are well defined but where discussions may be necessary.

## **Major Steps in the Lowest Price Technically Acceptable Process**

The lowest price technically acceptable process generally consists of the following steps:

- Designing a strategy that best reflects the results of market research and the specific circumstances of the acquisition.
- Establishing and documenting a source selection or technical evaluation plan. This plan includes the acquisition goals and objectives, identification of acceptability requirements for each noncost evaluation factor and subfactor, and procedures for evaluating proposals and making award.
- Structuring the solicitation to effectively communicate the Government's requirements, the factors and subfactors with associated acceptability standards, the information offerors must submit for evaluation of acceptability against the stated factors and subfactors, and the basis for award (i.e., the lowest priced proposal meeting or exceeding the standards.)
- Evaluating and rating proposals on a pass/fail basis against the acceptability requirements in the solicitation.

- Conducting discussions or other exchanges as needed. Comparing the cost or prices of acceptable proposals and awarding the contract to the offeror with the lowest evaluated price meeting the acceptability requirements.

## **Past Performance and the Lowest Price Technically Acceptable Process**

- If you determine that past performance is a discriminator under this approach, then you must state in the solicitation the criteria that you will use to evaluate it on a pass/fail basis. For small businesses, an unacceptable rating in this area is a matter of responsibility. Therefore, in your acquisition planning, you should anticipate a possible need to obtain a Certificate of Competency from the Small Business Administration if a small business otherwise eligible for award has unacceptable past performance.
- A Certificate of Competency determination is not required however, if you select a hybrid strategy that combines the lowest price technically acceptable and tradeoff processes. Under such a strategy, you could still evaluate technical proposals on a pass/fail basis while basing the final selection decision on a tradeoff between past performance and price.

---

## **Conducting a Presolicitation Dialogue with Industry**

---

### ***Foster a presolicitation dialogue with industry to:***

- ***Ensure a mutual understanding of the government's need and industry's capabilities***
- ***Minimize inclusion of non-value added requirements, and***
- ***Promote a more effective source selection.***

An effective dialogue with industry even before a solicitation is written or released can pay dividends during later phases of the process. The earlier and more effective you are in keeping up to date on the market and new technology, and ensuring the market knows what your requirements are, the better for both parties. The growing trend is to provide more information, not less, to potential offerors. With more information, they can make informed decisions about whether to compete, they can offer better proposals, the evaluation and selection process will be quicker and smoother, and there is less chance of miscommunication and a protest. There are a variety of mechanisms to maintain contact with potential offerors including the following:

- Advanced Planning Briefings for Industry to provide a forecast of future direction and requirements;

- Market research to stay abreast of innovation, advances, and capabilities;

- Information centers to provide access information to documents relevant to the acquisition;

- Requests for Information and Draft Requests for Proposals to obtain information from industry on such things as price and availability and comments on the proposed solicitation;

- Meetings and conferences, including one-on-one meetings with potential offerors and Presolicitation Conferences.

- In conducting a presolicitation dialogue with industry, always make sure that you:

- Release information to all potential offerors on a fair and equitable basis consistent with regulatory and legal restrictions.

- Establish clear ground rules for the conduct timing, and documentation of any one-on-one meetings to ensure potential offerors are given equal access to information needed to prepare proposals.

- Protect any proprietary information that you are given access to during this process.

- Request contracting and legal counsel advice if any questions arise about presolicitation exchanges.

## **Drafting a Source Selection/Evaluation Plan**

A thoroughly contemplated plan for selecting a best value source is vital to any source selection process. In all source selections, the plan is tailored to reflect the complexity of the acquisition. In more complex source selections, this plan is called the Source Selection Plan and should be prepared for the source selection authority's approval. In less complex acquisitions the plan is often referred to as the Technical Evaluation Plan. The plan is developed prior to or concurrently with preparation of the solicitation. It states your intentions for organizing and conducting the evaluation and analysis of proposals and the source selection. It contains acquisition sensitive information and is not released outside the contracting activity's source selection organization.

Acquisitions using a tradeoff process are often subject to dynamic internal and external influences. Examples of such influences include:

- The differing missions or functions to be supported. Such situations influence how the agency specifies its requirements, which in turn influence offerors' solutions.
- The rate at which technology and market factors are changing. Between the time the agency identifies a requirement and the offerors submit proposals, technology may have developed efficiency and productivity benefits unanticipated by the agency.

Accordingly, you should structure the selection plan and the solicitation to consider these influences and assure that the proposal selected provides the best value to the government.

### **Purpose of the Source Selection Plan**

The source selection plan serves several purposes, including--

- Defining a specific approach for soliciting and evaluating proposals.
- Describing the evaluation factors and subfactors, their relative importance, and the methodology used to evaluate proposals.
- Providing essential guidance to the solicitation developers, especially for putting together the solicitation sections dealing with proposal preparation and evaluation.
- Serving as a charter and guide for the source selection team on the roles of the members and the conduct of the entire source selection from proposal evaluation, through the cost/price/technical tradeoff, award decision, and debriefing.

### **Guidelines for a Source Selection Plan**

**"Blueprints" Link,**  
**"Typical Evaluation Plan"**

Although there isn't a specific format for the source selection plan, its size and detail should reflect the complexity of the acquisition.



You should include, at a minimum, a discussion of the following:

- A description of what you are buying. This description should be stated in functional terms to the maximum extent possible and use a minimum of technical language.
  - A description of the evaluation organization structure. It may be helpful to include--
    - An organization chart, showing the evaluation team's structure, or a brief description of how the team is organized.
    - The duties and responsibilities of each element of the source selection team.
    - The evaluation team's agenda and schedule.
    - Information on the need for preparation and training of the evaluation team.
    - Security procedures to be used by the evaluation team to protect classified, proprietary, or source selection information.
- "Blueprints" Link,**  
**"Certifications"**
- Plans for presolicitation activities such as issuing a draft solicitation and holding a presolicitation and/or preproposal conference or Advance Planning Briefing for Industry.
  - An acquisition strategy summary that includes an explanation of the contract type to be used (e.g., firm fixed price).

- The proposed evaluation factors and subfactors, their relative importance, and associated evaluation standards.
- A description of the evaluation process you are using (i.e., lowest price technically acceptable, tradeoff, or hybrid) and any innovative techniques such as multiple phases or oral presentations, or tailoring. See Appendix E for details on oral presentations. Include a description of the rating system you are using.
- A schedule of significant milestones that should cover, at a minimum, the period beginning with the designation of the source selection authority and continuing through the period from receipt of proposals through the signing of the contract, during which evaluation, negotiation, and selection take place.

---

## Selecting Evaluation Factors and Subfactors

---

You must clearly state in the solicitation and source selection plan all the evaluation factors and subfactors that you will consider in making the source selection and their relative importance. These factors and subfactors inform offerors of all the significant considerations in selecting the best value source and the relative importance the Government attaches to each of these considerations. Offerors should understand the basis upon which their proposals will be evaluated and how they can best prepare their proposals.

**Evaluation factors help offerors understand the evaluation process**

***Structure evaluation factors and subfactors and their relative order of importance to clearly reflect the Government's need and facilitate preparation of proposals that best satisfy that need.***

A multidisciplined team chooses the evaluation factors and subfactors based on user requirements, acquisition objectives, perceived risks, and thorough market research. Thorough research of the market helps the team identify the capabilities of different industry sectors and where those capabilities are most likely to differ among potential offerors. The team then selects only those factors that will help differentiate among offerors and surface the most advantageous proposal.

***Limit evaluation factors and subfactors to those areas that will reveal substantive differences or risk levels among competing proposals.***

**Limit evaluation factors to true discriminators**

## ***Cost Factors***

The Competition in Contracting Act (CICA), as implemented in the FAR, requires that price or cost to the Government be included as an evaluation factor in every source selection. This is because affordability must always be a consideration when spending taxpayer dollars.

**Always include cost or price as an evaluation factor**

The relative importance between cost or price and the noncost factors must also be reflected in both the solicitation and the weights or priority statements in the source selection plan. However, cost/price is not numerically scored in the evaluation of proposals, because of possible distortions that can result when arbitrary methods are used to convert cost/price into scores.

Cost-related factors and considerations will vary depending on the type of contract. Regardless of contract type, reasonableness must always be a consideration, as the FAR requires that contracts be awarded only at prices or costs that are fair and reasonable.

Cost realism plays an important role in many source selections. A cost realism analysis is an independent review of each offeror's cost proposal to determine if specific

estimated proposed cost elements are realistic for the work to be performed; reflect a clear understanding of the requirements; and are consistent with the unique methods of performance and materials in the offeror's technical proposal.

Cost realism must be considered when a cost reimbursement contract is anticipated. Under a cost type contract, the proposed cost estimates may not be valid indicators of final actual costs that the Government will be obligated to pay. For this type of contract, a cost realism analysis is performed and used to determine the probable cost of performance for each offeror. Selection decisions should be based on these probable cost estimates. Significant differences between proposed and most probable costs may signal increased performance risks.

Cost realism may also be considered for fixed price incentive contracts or, in exceptional cases, for other fixed price type contracts especially when there are concerns that offerors may try to "buy in" or where other complexities of the acquisition could result in misunderstanding the requirements. In such cases, a cost realism analysis may be useful for determining if there is a significant risk of future performance because of unrealistically high or low prices. However, proposed fixed prices are not adjusted for cost realism during the evaluation.

The solicitation must clearly state what costs will be evaluated. These costs may include costs for the basic effort only, basic plus all options, or costs incurred as a

result of acquiring or owning an item (e.g., transportation, life cycle costs). The solicitation should also clearly indicate to offerors how the cost factor will be assessed for that acquisition.

## ***Past Performance***

The caliber of a contractor's performance on previous contracts shall be included as an evaluation factor in competitively negotiated acquisitions unless the contracting officer documents why it would not be appropriate for the specific circumstances of the acquisition. A thorough evaluation of past performance, to include information that is outside of the offerors' proposals, serves to ensure that awards are made to good performers rather than to just good proposal writers. See Appendix D for details on evaluating past performance.

## ***Technical Factors***

Technical evaluation factors address the proposal's technical and performance efficiency. These factors may include such considerations as technical approach and capabilities, management approach and capabilities, experience and personnel qualifications relative to satisfying critical aspects of the government's requirements. Technical factors must be developed specifically for each acquisition, taking into consideration the particular objectives and requirements of the acquisition. These factors should be those discriminators that are determined after thorough market research as most likely to reveal substantive

differences in technical approaches or risk levels among competing proposals.

The source selection team has broad discretion in determining the technical evaluation factors and subfactors, their relative importance, and the way in which they will be applied.

However, too many factors and subfactors can lead to a leveling of ratings, in which the final result may be a number of closely rated proposals with little discrimination among competitors.

It is not the number of noncost factors that is critical, but having the right factors.

Basic requirements for noncost evaluation factors are:

- A reasonable expectation of variance among proposals in that area.
- A variance that you can measure either quantitatively or qualitatively.
- The factor must be a true discriminator.

An evaluation factor should be chosen only if your requirements warrant a comparative evaluation of that area. The simplest way to assess a potential evaluation factor is to ask: "Will superiority in this factor provide value to the Government and is the Government willing to pay more for that superiority?"

## ***Best Practices***

Selecting the right evaluation factors is one of the most important decisions you will make in designing your evaluation process. We are often faced with the triple problems of less time, less funds, and fewer available personnel to devote to source selections. If you don't concentrate on what's important in selecting the best value offeror you could end up with the evaluation team wasting a lot of time and effort looking at issues that don't differentiate between offerors. This can also result in a weak evaluation that doesn't give the source selection authority the information needed to make a good selection.

There are certain factors that you must consider in any competitive source selection. Price/cost is an automatic factor that you always have to consider. You also have to consider past performance in your evaluation process unless the contracting officer documents why it is not appropriate for the specific circumstances of the acquisition. In addition, you may have to add factors that are required by regulation for specific acquisitions, such as any applicable preferences for small entities. From here, you add other factors and subfactors that are important to deciding which is the most advantageous proposal. Remember, not everything that the offeror has to do under the contract is really a discriminator that will help you decide which proposal will result in the best value. Consider what you are buying and what will really discriminate.

How to select the additional factors/subfactors? Consider the following methodology:

- Research the market for what you are buying and your probable universe of offerors.
- Form an Integrated Product Team (IPT) and brainstorm critical factors and subfactors.
- Select only those factors and subfactors likely to surface the most advantageous proposals.
- Define the key discriminators and prioritize the list.
- Get source selection authority approval of the list of factors/subfactors.
- Clearly and concisely tell offerors in the solicitation what the factors/subfactors are and their relative importance.
- Listen carefully to industry feedback from presolicitation exchanges to see if your choices are right. If necessary, change the factors/subfactors before solicitation.

### ***Weighting the Factors and Subfactors***

After determining the evaluation factors and subfactors, their relative importance to each other must be established. The relative importance of factors and subfactors must be consistent with the stated solicitation requirements. If their relative importance does not accurately

reflect the Government's requirements and objectives, the source selection authority may later award to an offeror whose proposal may not be the best value. As a general rule, the higher the technical or performance risk, the greater the emphasis on noncost factors. The relative importance between all noncost factors combined and cost or price must also be described using the terms, "significantly more important," "approximately equal," or "significantly less important." This relative ranking must be reflected in both the solicitation and the weights or priority statements in the source selection plan.

The relative importance of evaluation factors and subfactors is usually established by priority statements, numerical weighting, or a combination of these.

- Priority or tradeoff statements, numerical weighting, or a combination of these usually establishes the relative importance of evaluation factors and subfactors.
- Priority or tradeoff statements would relate one factor to others. For example, in a priority statement, the cost/price factor may be said to be slightly more important than a noncost factor called "performance risk" but slightly less important than a noncost factor called "technical merit."
- Numerical weighting would involve assigning relative importance to the factors and subfactors using points or percentages. Although numerical weights may be used in making the

tradeoff analysis and decision, the weights themselves may, but need not be disclosed in the solicitation. If you don't disclose the numerical weights themselves in the solicitation, they must be described in terms of priority or tradeoff statements.

Cost/price as an evaluation factor is never scored or rated as part of the evaluation. But, just like all the other factors and subfactors, cost/price has to be weighted to indicate its importance relative to the other evaluation factors and subfactors and the overall evaluation. The weight given to cost/price reflects its relative importance in selecting the best proposal for award. The circumstances of your particular acquisition will indicate how important cost/price is in satisfying your requirement.

---

## Developing Evaluation Standards

---

Evaluators must be able to determine the relative merit of each proposal with respect to the evaluation factors. Evaluation standards provide guides to help evaluators measure how well a proposal addresses each factor and subfactor identified in the solicitation. Standards permit the evaluation of proposals against a uniform objective baseline rather than against each other. The use of evaluation standards minimizes bias that can result from an initial direct comparison of proposals. Standards also promote consistency in the evaluation by ensuring that the evaluators evaluate each proposal against the same baseline.

In developing standards for each evaluation factor and subfactor, you should consider the following:

- As you develop your evaluation factors, concurrently draft a standard for each factor and subfactor.
- Define the standard by a narrative description that specifies a target performance level that the proposal must achieve in order to meet the standard for the factor or subfactor consistent with the requirements of the solicitation.
- Describe guidelines for higher or lower ratings compared to the standard "target."
- Overly general standards should be avoided because they make consensus among evaluators more difficult to obtain and may obscure the differences between proposals. A standard should be worded so that mere inclusion of a topic in an offeror's proposal will not result in a determination that the proposal meets the standard. (An example is shown at Appendix C.)
- While it is sometimes easier to develop quantitative standards because of their definitive nature, qualitative standards are commonly used in source selections. Standards, as part of the source selection methodology, should be included in the source selection plan.

---

## Establishing a Rating Method

---

### ***"Blueprints" Link, "Typical Ratings and Descriptors"***

A rating system uses a scale of words, colors, numbers or other

indicators to denote the degree to which proposals meet the standards for the noncost evaluation factors. Thus, a rating system helps evaluators assess a proposal's merit with respect to the evaluation factors and subfactors in the solicitation. Some commonly used rating systems are adjectival, color coding, and numerical.

Rating systems which use adjectives or colors are usually the most successful because they allow maximum flexibility in making the tradeoffs among the evaluation factors. A narrative definition must accompany each rating in the system so that evaluators have a common understanding of how to apply the rating. For example, a rating of excellent (or blue or 90-100) could be defined as meaning an outstanding approach to specified performance with a high probability of satisfying the requirement. What is key in using a rating system in proposal evaluations, is not the method or combination of methods used, but rather the consistency with which the selected method is applied to all competing proposals and the adequacy of the narrative used to support the rating.

## **Adjectival**

Adjectives (such as excellent, good, satisfactory, marginal, and unsatisfactory) are used to indicate the degree to which the offeror's proposal has met the standard for each factor evaluated. Adjectival systems may be employed independently or in connection with other rating systems.

## **Color Coding**

This system uses colors to indicate the degree to which the offeror's proposal has met the standard for each factor evaluated. For instance, the colors blue, green, yellow, amber, and red may indicate excellent, good, satisfactory, marginal, or unsatisfactory degrees of merit, respectively.

## **Numerical**

This system assigns point scores (such as 0-10 or 0-100) to rate proposals. This rating system generally allows for more rating levels and thus may appear to give more precise distinctions of merit. However, numerical systems can have drawbacks as their apparent precision may obscure the strengths, weaknesses, and risks that support the numbers. Therefore, some organizations do not permit the use of numerical rating systems.

## **Narrative**

Narrative is used in conjunction with a rating system to indicate a proposal's strengths, weaknesses, and risks. Adjectival, color, and numerical ratings must be supported with narrative statements. Narrative statements can describe the proposals' relative strengths, weaknesses, and risks to the source selection authority in a way that adjectives, colors, and numbers alone cannot. A narrative is required when evaluation standards are being applied, when a comparison of proposals is being made, and when a cost/technical tradeoff is conducted. The narrative provides a reasonable and rational basis for the selection decision.

## The Solicitation

***Ensure consistency among the objectives of the acquisition, the contracting strategy, the evaluation plan, the solicitation, the evaluation and selection.***

All the parts of the solicitation work together to communicate government requirements to potential offerors. The solicitation provides all the information the offeror needs to understand what you are buying, how you are buying it, and how you will select who to buy it from. This information includes: the work requirements; the terms and conditions; evaluation factors and significant subfactors; the relative importance of the factors and subfactors; instructions to offerors, including whether award might be made without discussions; and other exhibits and attachments. When read as a whole, the solicitation should convey to the offerors a clear understanding of what you are buying and the areas where technical and cost tradeoffs can be made in their proposals to best satisfy the Government requirements.

Industry frequently complains that solicitations have major conflicts. Particularly troublesome are conflicts among the descriptions of what we're buying, instructions on how to prepare a proposal, and guidance on important factors/subfactors and the ground rules for the evaluation. An inconsistent solicitation may result when different groups of people develop the different sections without proper

coordination. Such a solicitation can defeat our objectives, cause unnecessary delays, or lead to litigation.

Coordination within a multidisciplined acquisition team, whose members are stakeholders in the acquisition and have a commitment to work together, is the best way to ensure consistency. You may also find it beneficial to develop a matrix that correlates the solicitation sections and content to ensure solicitation consistency. You may want to provide industry with a copy of the matrix as a reference tool to aid in proposal preparation. This approach promotes understanding of the linkage within the solicitation and explains how all parts of the proposal will be used in the evaluation process.

Appendix C illustrates how the key solicitation documents and evaluation standards track to one another and shows the recommended sequencing for document preparation.

Another way to promote understanding of the solicitation is to foster a presolicitation dialogue with industry.

This can be accomplished through use of various communication forums such as Commerce Business Daily notices, Advance Planning Briefings for Industry, draft solicitations, and/or presolicitation/preproposal conferences.



## **Performance Requirements (Specifications, Work Statement, or Equivalent)**

The way you present the Government's requirements in the solicitation can have a significant impact upon a source selection using the tradeoff approach. For example, use of a work breakdown structure (WBS) in the work statement for the most complex cost type contracts can help ensure offerors' pricing breakdowns are consistent and comparable. Some additional areas to consider when preparing the work requirements for the solicitation include:

### **Functional or Performance Requirements**

Use functional or performance requirements to the maximum extent possible. In some cases, it may be more difficult to develop evaluation standards and conduct the evaluation process itself; however, there are benefits to using functional or performance requirements. These benefits include:

- Increased competition.
- Access to the best commercial technology.
- Better technical solutions for better prices as a result of offeror innovation.

- Functional or performance requirements can usually be developed faster than design requirements.

- Fewer situations may exist for protests.

**Using performance requirements can lead to offeror innovation**

### **Design Requirements**

You should limit the number of design requirements to those essential to meet mission needs. Design requirements may:

- Limit competition.
- Limit situations where potential offerors can propose innovative solutions.
- Slow the specification development process.
- Provide more situations for an offeror to protest (e.g., because of the belief that the winning proposal did not meet all the minimum requirements or that the requirements were unnecessarily restrictive of competition).

## Proposal Submission Information

The instructions for preparing and submitting proposals are critical to an acquisition using the tradeoff approach. There has to be a linkage between solicitation requirements, each evaluation factor and subfactor and the proposal preparation instructions.

**Each evaluation factor and subfactor must correlate directly with the proposal preparation instructions**

If you cannot cross-walk the solicitation requirements, factors/subfactors and the proposal instructions, you have a conflict that you need to correct.

Request only the information needed to evaluate proposals against the evaluation factors and subfactors. Never ask for information you do not intend to evaluate.

The information requested from offerors must correlate with the evaluation factors and subfactors. However, instructions that require voluminous information can cause potential offerors to forego responding to the solicitation in favor of a less costly business opportunity. Furthermore, excessive size of proposals may increase the

Government's costs to perform the evaluation and length of the evaluation period. In order to simplify the preparation of proposals and to make the evaluation easier, you may wish to consider imposing a realistic limit on the number of pages and foldouts to be submitted.

The instructions on the preparation and submission of proposals must:

- Be clearly and precisely stated.
- Be keyed to the evaluation factors and subfactors.
- Describe the type, scope, content, and format of the information to be submitted.
- Describe the order in which proposal responses and materials are to appear.
- Be limited to the information needed to do the evaluation.
- Properly written proposal preparation instructions simplify the evaluators' job. That is, evaluators do not have to learn a new format for each proposal; they can evaluate the same requirements in each proposal in the same way. With a sufficient degree of structure in the proposal preparation requirements, you may be able to accept proposals in electronic form and use some automation in the evaluation process.

---

## Proposal Evaluation Information

---

Clearly state in the solicitation the basis upon which the Government will make the source selection decision.

The information from the Source Selection/Evaluation Plan that you provide in the solicitation on evaluation factors and subfactors and their relative importance forms the basis for evaluating offerors' proposals and making the cost/technical tradeoff. The solicitation is the official vehicle for you to communicate to offerors which factors and subfactors or ground rules the Government will use to select the most advantageous proposal for award.

Consider the following points in designing the solicitation:

- Provide the evaluation factors and subfactors verbatim from the source selection plan.
- Provide the actual numerical weights at the factor level.
- Provide an estimate of what you've identified as an affordable target price range for the acquisition, based on your market research or other reviews.

This information can help offerors to better focus on those aspects of

the mission objectives where additional value can be important and to better respond to the Government's needs by giving emphasis to those things most important to the Government. To reap the benefits of better proposals you need to include and adequately describe all the factors and subfactors (as reflected in the source selection plan) that will be considered in making the selection.

The solicitation must also inform offerors of any minimum requirements that apply to particular evaluation factors and subfactors that have to be met. You need to distinguish between minimum acceptable requirements and desirable objectives or features that you would be willing to pay extra for. If you elect to include desirable objectives or features in addition to minimum requirements, the solicitation must clearly explain how you will evaluate them and whether or not credit will be given in the evaluation for exceeding such desirables.

# Evaluation Considerations

## Overview

The source selection evaluation process includes examining each proposal in detail against the evaluation factors and subfactors and the requirements set forth in the solicitation, and assigning a rating, with a supporting narrative. The proposal evaluation process assesses the proposal and the offeror's ability to perform. At this stage, it does not analyze proposals against each other and it must be conducted in a fair, comprehensive, and impartial manner.

**Evaluations must be fair, thorough, and impartial**

The evaluation process can be complicated no matter how much planning and tailoring you do. You might find through your market research that you are going to receive many proposals - good for competition but a situation that could drag out evaluation. You might explore the world of automated source selection tools that can increase your efficiency. There are commercial packages available and some activities have developed packages in house that you could use. Evaluators still have to evaluate each proposal, but these tools might ease the administrative burden that comes with a great number of proposals.

## Reasons for the Evaluation Process

The principal purposes of the process are to:

- Determine which proposals are acceptable and/or within the competitive range.
- Provide a sound basis for the source selection authority to make an informed and reasoned selection by:
  - Presenting a clear picture of the issues considered during evaluation by identifying areas of uncertainty as well as those which provide substantial assurance of a successful outcome.
  - Listing the strengths, weaknesses, and risks of the proposed approaches.

## Evaluation Process Tasks

Evaluation tasks will vary in number and content with each source selection. However, several especially important tasks are discussed below.

## ***Familiarization***

Prior to receipt of proposals, each evaluator should become familiar with the solicitation's requirements, the source selection plan, and the rating system. You should, especially for those evaluators with no prior source selection evaluation experience, conduct training that includes an overview of the solicitation and of the work expected throughout the source selection process. The training should include how to properly document each proposal's strengths, weaknesses, and risks.

## ***Cost Evaluations***

Cost or price must be an evaluation factor in all acquisitions. The cost evaluation will vary depending on the specific circumstances of each acquisition.

For fixed price contracts, the evaluation normally should be as simple as a comparison of the offered prices to ensure the contract price is fair and reasonable. Other techniques of price analysis may also be used. Do not perform a cost analysis unless there is no other way to determine if the price of the otherwise successful offeror is reasonable.

For cost-reimbursement contracts, you must analyze costs for both realism and reasonableness. The cost realism analysis enables you to determine the probable cost of performance for each offeror. This precludes an award decision based on overly optimistic offeror's cost estimates where risks of an overrun may be significant.

A cost realism analysis requires an independent review of specific elements of each offeror's proposed cost estimate to determine whether the estimated proposed cost elements for contract resources (e.g., labor and material) are realistic, show understanding of the work, and are consistent with the demands of the work which will actually be required, given each offeror's unique methods of performance and materials described in their technical proposal.

The probable cost should reflect the Government's best estimate of the cost of any contract, which is most likely to result from the offeror's proposal. This estimate is determined by adjusting each offeror's proposed cost, and fee when appropriate, upwards or downwards to reflect any additions or reductions in personnel, equipment, or materials resulting from the cost realism assessment.

For the cost realism evaluation of an offeror's proposal, you have to decide what information you need. The amount and type of information will vary depending on the circumstances of your acquisition. You may have to get more after you start evaluating the proposals. However, like other proposal requirements, you should only request the minimum amount of information that is necessary. Also, remember that any information you use only for the cost realism analysis is not considered cost or pricing data.

To the extent that differences between proposed costs and probable costs reflect significant risks of future performance or lack of

understanding, that risk or lack of understanding should be reflected in the noncost evaluation. In such cases, you should also seriously consider whether or not the proposed cost and fee or price can be determined fair and reasonable to both parties.

The probable cost estimates developed for each offeror are used to evaluate and compare proposals and ultimately to select the proposal expected to result in the best value.

### ***Past Performance Evaluations***

Unless you are using a lowest price technically acceptable approach, the past performance evaluation involves a comparative assessment of performance risk associated with each proposal. It describes the degree of confidence the government has in the offeror's ability to perform based on that offeror's demonstrated record of past and present work similar to the work to be performed. If properly conducted, the past performance evaluation and the preaward survey will complement each other and provide a more complete picture of an offeror than either one could by itself.

Appendix D contains procedures for evaluating past performance in source selections, including those acquisitions where selection is based solely on cost/price and past performance.

### ***Technical Evaluations***

#### ***"Blueprints" Link, "Typical Evaluator Worksheet"***

Evaluators must examine each proposal individually in detail to measure it against the evaluation factors and subfactors in the solicitation. Evaluators ask questions such as, "How much?" or "How well?" assign a rating and document the basis for the rating. This is the core of the evaluation process.

Normally, technical evaluations should be conducted independent of the cost/price evaluations so that technical findings and conclusions will not be influenced by knowledge of the offered costs. However, in some instances, it may be appropriate to give the entire evaluation team access to price/cost information to ensure the best possible overall evaluation and enhance the evaluation of cost realism. Such a review can help verify perceived technical strengths, weaknesses or risks and/or ensure consistency between the cost/price and technical segments of the proposals.

All evaluators must have the required functional expertise and training to evaluate the particular area of the proposal to which they are assigned. They should also be thoroughly familiar with the solicitation and the source selection plan.

## ***Identifying Proposal Ambiguities and Inadequate Substantiation***

Evaluators should first document problems in evaluating a proposal because its language is ambiguous, its meaning is unclear, or it has failed to respond to the solicitation instructions. Evaluators should also identify, in writing, instances in which an offeror has not provided enough information to evaluate the feasibility and merit of its proposed approach. The Contracting Officer can then seek amplification and additional information to address such issues.

## ***Identifying Strengths, Deficiencies, Significant Weaknesses, and Risks***

Evaluators must identify and document the strengths, deficiencies, significant weaknesses, and the accompanying risks of the competing proposals. Proposals that materially fail to meet a Government requirement or that contain a combination of significant weaknesses that increase the risk of unsuccessful performance are considered to be deficient.

Narrative statements must be used to establish a written record. Numerical scores and other rating techniques are not conclusive data to make the source selection decision. Only evaluations and ratings substantiated by specific strengths, weaknesses, and risks can be credible and justifiable. General terms such as "weak,"

"poor," or "excellent" must be supported with specific reasons as to why the proposal is "weak," "poor," or "excellent" in relation to the standard for the specific factor and subfactor being evaluated.

The strengths, weaknesses, and risks of each proposal form a large part of the basis for the source selection decision.

**Documenting proposal strengths, weaknesses, and risks is critical**

Generally, the fact that a proposal is deficient as submitted does not necessarily mean that it is excluded from further consideration. The identification of these vital items provides:

- An element for the contracting officer to consider in determining the competitive range.
- The framework for any necessary discussions between the Government and the offeror.
- Specific information on the relative strengths and weaknesses of competing proposals. This is critical to the successful completion of an acquisition using the tradeoff approach because it is an essential element of the evaluation report provided to the source selection authority.
- The basis for tradeoff analysis ultimately performed by the source selection authority to determine if

differences in merit between proposals justify any cost/price differential.

- The framework for offeror debriefings.

A separate evaluation finding, regardless of the offered cost or price, can be a determination that a proposal is technically unacceptable. This finding is based on failure to meet requirements, or even the basic intent of the acquisition, and that a complete revision of the proposal would be required. In this case, you would be put in the position of leading the offeror to a solution or approach, which is unfair to the other offerors.

## **Consensus**

The final rating of each proposal should be assigned by consensus of the evaluators. Simple averaging of individual evaluation results does not constitute consensus. Consensus requires a meeting of the minds on classifications, deficiencies, strengths, weaknesses, and risks. In exceptional cases where the evaluators are unable to reach agreement without unreasonably delaying the acquisition process, the evaluation report may include the majority conclusion and the dissenting view(s), each with a supporting rationale.

---

## **Exchanging Information with Offerors**

---

Dialogue with offerors after receipt of proposals allows us to get information we need to better

understand proposals and make best value decisions. While all such dialogue must be conducted in a fair and impartial manner, its nature and extent will vary depending upon when it occurs after receipt of proposals.

## **Who's in Charge?**

The contracting officer remains the focal point for all information exchanges with prospective contractors from release of a solicitation through contract award. Once proposals are received, the contracting officer also controls all exchanges with offerors.

## **Establishing the Ground Rules**

Before exchanging any information with offerors, the contracting officer should ensure that team members who may participate in such exchanges receive instructions not to:

- Favor one offeror over another (i.e., provide the offeror with suggested ways to correct its proposal relative to other offerors);
- Reveal an offeror's solution, technology, or intellectual property to another offeror;
- Reveal an offeror's price without that offeror's permission;
- Reveal the name of individuals providing past performance information; or
- Knowingly furnish source selection information.



## ***Award Without Discussions***

Before issuing the solicitation, you must decide whether or not you intend to award without discussions and communicate your intent in the solicitation. In making this decision, consider whether or not you are likely to obtain best value without discussions. An award without discussions is most likely to result in best value when requirements are clear, commodities are known or stable, and the marketplace is extremely competitive.

If your solicitation advised offerors of intent to award without discussions, you may still hold discussions, if appropriate, provided you document the file as to why discussions are necessary.

If, after proposal evaluation, it is clear that the cost of conducting discussions would more than offset the potentially lower prices or increased functionality resulting from discussions, then it may be appropriate to award on initial proposals.

## ***Requesting Clarifications When Awarding Without Discussions***

The most limited exchanges are clarifications that occur if award will be made without discussions. Under these circumstances, we may give offerors the opportunity to clarify certain aspects of their proposals such as questions about the relevancy of their past performance or adverse past

performance information on which an offeror hasn't yet had an opportunity to comment. These exchanges may be used to resolve minor irregularities, informalities, or clerical errors. Such clarifications provide minor explanations but do not revise or modify the proposal, except to the extent that correction of apparent clerical mistakes results in a modification.

## ***Holding Communications***

Before making a competitive range decision, you may need to hold communications with some offerors to determine whether or not to include a proposal in the competitive range. This is like fact-finding. The objective of these precompetitive range exchanges is to help evaluators understand and evaluate the proposal.

**Communications may be held to help evaluators understand gray areas in the proposal**

Communications must be held with any offeror who will be excluded from the competitive range because of their adverse past performance information. Otherwise, you may hold communications only with those offerors who are neither clearly in nor clearly out of the competitive range. If you know that you will include an offeror in the competitive range, then wait until you open discussions to address your concerns.

Offerors should ensure that initial proposals are as clear and complete as possible. When holding communications, ask only those questions necessary to understand the proposal and make the competitive range determination. You may use communications to solicit information that will clear up gray areas, such as perceived deficiencies, omissions, and errors, or questions about an offeror's capability or preaward survey. During communications, you must give offerors an opportunity to address any adverse past performance information to which the offeror has not previously had an opportunity to comment. This ensures that offerors are not excluded from the competitive range on the basis of incorrect past performance information that they had not had a prior opportunity to address.

Information obtained during communications, however, may not be used to revise a proposal, correct any deficiencies or material omissions, or change any technical or cost elements of a proposal, except for correction of mistakes.

**Communications do not permit proposal revisions**

Once you have enough information to decide how the proposal should be rated, (e.g., decided whether a potential deficiency is, indeed, a deficiency), then STOP. Never accept a revision before opening discussions.

## ***Establishing the Competitive Range***

The competitive range consists of all the most highly rated proposals, unless it is further reduced for efficiency. Establishing the competitive range results in greater efficiency by limiting the number of offerors with whom the Government must hold discussions to the finalists or leading contenders for contract award. However, failure to properly establish a competitive range can result in higher costs because of protests or eliminating potentially competitive offerors. When establishing the competitive range, consider the following points:

- Determine the competitive range only after an initial evaluation of each proposal in accordance with all cost and noncost factors in the solicitation.
- Limit the competitive range to all of the most highly rated proposals, considering the initial evaluation of both cost and noncost factors. Predetermined "cut-off" ratings cannot be used to exclude a proposal from the competitive range.
- If there are very few highly rated proposals, you may want to include all of them in the competitive range.
- If there are too many highly rated proposals to evaluate efficiently, you may limit the competitive range further, provided you notified offerors of your intent to do so in the solicitation.

- It may not always be necessary or even advisable to further narrow the competitive range for efficiency. You must determine what constitutes an efficient competitive range for each acquisition. When faced with the need to restrict the size of the competitive range, you should consider factors such as the expected dollar value of the award; the complexity of the acquisition and solutions proposed; or the extent of available resources and other relevant matters consistent with the need to obtain the best value.

- When further reducing the competitive range for efficiency, select from among the most highly rated proposals, the largest number that will still permit an efficient competition.

- The contracting officer determines the competitive range. In the case of more complex source selections, the determination is made with the approval of the source selection authority.

- Document the competitive range determination and the supporting rationale in the contract file.

- Maintain an efficient competitive range that doesn't waste resources for either side. The competitive range should be continually reassessed as discussions and evaluations continue. The contracting officer should remove from the competitive range any proposal that, during or after discussions, is no longer considered to be a leading contender for award. This allows offerors who are not likely to be selected for award to shift their bid and proposal costs

to competitions where they have a better chance for success. The objective is an efficient competitive range that doesn't string offerors along wasting their time and money and your resources.

**Maintain an efficient competitive range that doesn't waste resources**

For proposals excluded from the competitive range, the contracting officer shall promptly notify unsuccessful offerors, in writing, of their exclusion. Upon request, you will also have to provide a debriefing that explains the basis for your decision. See Appendix F for more information on debriefings.

## ***Conducting Discussions***

The most detailed and extensive exchanges are negotiations that are held after establishment of the competitive range. These exchanges are known as discussions. Unless the solicitation informs offerors that award may be made without discussions, you must hold meaningful discussions with each offeror in the competitive range. The primary purpose of discussions is to maximize our ability to get the best value.

**Discussions maximize our ability to get the best value**

During discussions, our objective should be to reach complete agreement between and understanding by the Government and the offeror regarding all the basic requirements in the solicitation. In essence, obtaining a contract that demonstrates the greatest promise of meeting the solicitation's requirements and no surprises after award is the goal of both the Government and the offeror. While the content of discussions is a matter primarily within the discretion of the contracting officer, discussions must meet fundamental requirements to be meaningful and fair.

**Discussions must be meaningful and fair**

***Ensure discussions are meaningful by identifying to the offeror all evaluated deficiencies, significant weaknesses, and other proposal aspects that could be altered or explained to enhance materially an offeror's award potential.***

Confine and tailor your discussions exclusively to each offeror's proposal relative to the solicitation requirements and evaluation factors and subfactors. Identify those things in the proposal that could clearly limit an offeror's award potential. Seeking the advice of legal counsel during the discussion process may help avoid protests.

You can facilitate meaningful discussions by addressing the following as a minimum:

- **Deficiencies** - A material failure to meet a requirement. It is a deficiency whenever the offeror specifically says a requirement cannot or will not be met, offers an approach that clearly doesn't meet a requirement, or submits a proposal that contains a combination of significant weaknesses.

- **Significant Weaknesses** - Include noncost and cost weaknesses that appreciably increase the risk of unsuccessful contract performance. It is a weakness whenever the proposal has a flaw important enough to cause a factor to be rated marginal or poor, or the probability of meeting a requirement to be high risk or moderate to high risk. This includes even relatively minor weaknesses if their cumulative impact is significant. For example, if an approach affects several areas of the evaluation, but makes no individual factor rating marginal or poor, you should include it in discussions if the cumulative impact is significant enough to impact the overall rating.

- **Past Performance Information** - Include any concern about an offeror's past performance, including relevancy and any adverse past performance information on which the offeror has not previously had an opportunity to comment.

- **Uncertainties or apparent mistakes** - Include any suspected

errors, any significant omissions, and any uncertainties necessary to understand what is being offered. However, perfect knowledge isn't necessary. We tend to spend too much of our time and effort and that of the offeror, chasing information that has no real bearing on the evaluation. If we need it to draw a conclusion, then we should ask for it.

Identify deficiencies and significant weaknesses in terms of a clear declarative statement. Advising offerors of strengths in their proposals can also give offerors insight into areas to consider in making tradeoffs to correct deficiencies or weaknesses.

### ***Obtaining Proposal Revisions***

Confirm all information obtained through discussions by requesting or allowing proposal revisions, as appropriate, from all offerors in the competitive range still eligible for selection. Proposals are rarely alike, nor are the depth and range of discussions, therefore, tailor the number and content of revisions to each offeror's proposal. Ask offerors to submit written changes to their proposals resulting from discussions before requesting final proposal revisions, particularly if a number of significant issues need

resolution. This allows further discussions, if necessary before the final cutoff date.

**Tailor the number and content of revisions to each offeror's proposal**

After you have received responses to all issues raised to the offerors during discussions, you must reevaluate the proposals. Any factor impacted by the responses must be rated again in the same manner as in the initial evaluation. Ensure that all issues are resolved or understood by each offeror and the government prior to concluding discussions.

At the conclusion of discussions, you must give all offerors remaining in the competitive range an opportunity to improve their proposal by submitting a final proposal revision within a common cutoff date and time. If, after receipt of final revised proposals it becomes necessary to subsequently clarify minor irregularities, you can, without any additional request for final proposal revisions from all offerors. However, if you need to negotiate further, a second final revision opportunity must be extended to all offerors.

## Selection Decision

### ***Ensure the selection decision:***

- ***Is based on a comparative analysis of the proposals***
- ***Is consistent with stated evaluation factors and subfactors; and***
- ***When tradeoffs are permitted, consider whether or not perceived benefits are worth any price premium.***
- ***Make the decision on a rational basis and set it forth in an independent, stand- alone defensible document.***

Consistent with the solicitation, after the team has completed the evaluation of the individual proposals, the source selection authority compares competing proposals to each other.

When using the lowest price technically acceptable process, the source selection authority compares proposals on the basis of cost or price alone and selects the offeror with the lowest evaluated cost/price meeting the acceptability requirements for all factors and subfactors.

When using the tradeoff process, the source selection authority compares proposals on the basis of cost/price, technical or other noncost ratings, and how its strengths, weaknesses, and risks will impact the specific objectives of the acquisition. The source selection authority may request the evaluators to conduct

comparative analyses of proposals and make a recommendation concerning the source selection. The source selection authority will use all the information on the proposals and evaluation to make an independent judgement of the best value.

Consistent with the solicitation, the possible outcomes of this comparison are:

- The proposal with the superior noncost merit is the lowest cost/price proposal. In this case award should be made to the offeror submitting the proposal with the lowest evaluated price or cost.
- The proposals may be determined to be essentially equal in terms of noncost factors. In this case also, award should be made to the offeror submitting the proposal with the lowest evaluated price or cost.
- When the proposal with the lowest evaluated price or cost is other than the proposal(s) with higher noncost merit, the source selection authority must perform a cost/technical tradeoff analysis to decide whether the technical superiority of the other proposal(s) warrants payment of the additional price or cost.

---

### **Making the Cost/Technical Tradeoff Analysis**

---

Ratings are merely guides for decision making. The source selection authority is responsible for independently determining whether noncost advantages are worth the cost/price that might be associated

with a higher rated proposal. The decisive element is not the difference in ratings, but the source selection authority's rational judgement of the significance of that difference, based on an integrated comparative assessment of proposals.

**There is no magic formula for making the cost/technical tradeoff**

When making the cost/technical tradeoff leading to the selection decision, there is no "magic" formula. The cost/technical tradeoff and the source selection decision, which must be consistent with the solicitation, require that the source selection authority exercise reasonable business judgment in selecting the offeror for contract award. The information considered should include an analysis of the following:

- The proposals' total evaluated price or cost.
- The significance of the differences in the noncost ratings as indicated by each proposal's strengths, weaknesses, and risks. The strengths, weaknesses, and risks for each factor must be considered in light of the relative importance of each factor stated in the solicitation.

In performing a tradeoff, consider following steps such as these to

arrive at a rationale decision that can be well documented:

- Compare the proposal differences that surfaced during your evaluations;
- Define these differences and analyze their impact on performance objectives;
- Make paired comparisons, comparing each proposal to each of the others;
- Assess the best mix of cost and noncost benefits and determine whether the strengths of higher rated proposals are worth the price premium.

**A price premium must be justified regardless of the superiority of the rating**

It is essential to document cost/technical tradeoff judgments with detailed narrative explaining the relevant facts and supporting rationale. Mere statements of conclusion based on ratings or scores alone are not acceptable. The cost/technical tradeoff documentation must explicitly justify a price premium regardless of the superiority of the selected proposal's technical or noncost rating. This justification is required even when the solicitation indicates that noncost factors are more important than cost/price. The justification must clearly state what benefits or advantages the Government is getting for the added cost/price

and why it is in the Government's interest to expend the additional funds.

Where it is determined that the noncost benefits offered by the higher priced, technically superior offeror are not worth the price premium, an explicit justification is also necessary. In this case, the documentation must clearly show why it is reasonable in light of the significance of the differences to pay less money for a proposal of lesser technical merit.

To determine which proposal provides the best value, the source selection authority must analyze the differences between competing proposals. This analysis must be based on the facts and circumstances of each acquisition and must be consistent with the solicitation.

This analysis ensures a disciplined and documented process for an integrated comparison of proposals and a rational basis for the source selection authority's ultimate decision.

---

## **Documenting the Proposal Comparison**

---

Documentation explaining the final results of the evaluation should be prepared for the source selection authority to use in making the selection decision. This documentation should include the technical and/or past performance evaluation results, the cost/price evaluation, and the comparative value analysis, if applicable, for each proposal in the competitive range.

The documentation should also include other considerations such as the results of negotiations.

For more complex source selections, this is accomplished by means of a formal report that is provided to the source selection authority. For less complex source selections, the documentation may be included as part of the Price Negotiation Memorandum. It should be simple but concise and should cross-reference rather than repeat information in existing documents as much as possible (e.g., the source selection plan, evaluation team consensus report). The analysis and comparisons in this documentation should be used as an aid to the source selection authority's judgment - not as a substitute for judgment.

The documentation may contain:

- Introductory information such as:
- Data about the source selection plan.
- The basis for award and evaluation factors and subfactors.
- Participants in the evaluation process.
- Solicitation requirements.
- The number of offerors solicited.
- The offerors who responded and those in the competitive range.
- A summary of each proposal within the competitive range -  
**"Blueprints" Link "Individual Offeror Evaluation Results"**



- Comparative analyses of both cost and noncost factors of the proposals within the competitive range. The factors and subfactors evaluated should be discussed, first individually and then comparatively. The comparative cost analysis should explain the reasonableness, realism, and rationale of each offeror's price or cost proposal. Each proposal's major strengths, weaknesses, risks, as well as the details and results of the tradeoff analysis should be included. **"Blueprints" Link, "Summary Comparison Matrix"**

- A discussion of the overall impact of significant risks associated with each proposal within the competitive range. This discussion may address, for example:

- Technical risks inherent in the offeror's proposed approach.

- Degree of confidence in the realism of the offeror's cost or price proposal taking into consideration technical and schedule risk.

- Production risks relating to new technologies and overall production competence.

- Performance risks relative to the offeror's record of recent and relevant past performance.

- A summary of the comparative analyses, expressed in brief statements, of the issues considered significant to the source selection authority's decision. If requested by the source selection authority, a selection recommendation would be included.

---

## Documenting the Selection Decision and Awarding the Contract

---

### **"Blueprints" Link, "Typical Source Selection Decision Document"**

Documentation setting forth the decision rationale must be prepared to support the source selection authority's decision. The selection statement must be a stand-alone document that succinctly and accurately provides rationale for the selection. It should explain how the successful proposal measured up against other offerors based on the evaluation factors and subfactors in the solicitation. It should also explain the tradeoff judgments, including benefits associated with additional cost.

This document becomes part of the official contract file and can even be released, provided that any information exempt under the Freedom of Information Act (FOIA) is not released. This can ease the debriefing process by showing offerors who request a debriefing the rationale and logic used by the source selection authority. After the source selection authority has signed the selection decision document, the contracting officer may execute and distribute the contract.

## Notification and Debriefing of Unsuccessful Offerors

When a contract is awarded as the result of a source selection, unsuccessful offerors must be debriefed and furnished the basis for the selection decision and contract award upon their written request. In addition, offerors excluded from the competitive range or otherwise excluded from the competition before award may request either a preaward or postaward debriefing. A debriefing may also be provided to the successful offeror.

***Debrief offerors promptly, at their request, as to the basis for the selection decision. Candidly explain the results of the Government's evaluation of their proposal without making any point-by-point comparisons with the content of other proposals.***

It is extremely important to promptly notify and debrief an offeror. Since each offeror puts considerable resources into preparing and submitting a proposal, fairness dictates that you explain why a proposal was unsuccessful. Early notification will also permit unsuccessful offerors to release the resources that would have been devoted to the contract effort so they can be used on other work. It is also in the Government's best interest to fully inform the offeror of the proposal's shortcomings so that the same mistakes are not repeated in future acquisitions. These actions reduce the cost of the competitive process and encourage the offeror to view the Government marketplace as a worthwhile area to invest its resources, thereby increasing competition. See Appendix F for guidelines on conducting debriefings.

## Lessons Learned

Capturing the lessons you learn on each source selection and sharing them with others can benefit future source selections. The Internet capability at <http://www.amc-acquisition.net> makes it easy to find and share lessons learned.

You will find complete instructions and page-sensitive help at this web site. The simple means of collection on the web requires only a modest investment of time to complete the following data fields:

**Category:** (choose from pull down menu)

**Contract requirement:** (choose from pull down menu)

**Contract type:** (choose from pull down menu)

**Point of contact information:**  
Name, Telephone No., Office Symbol, and e-mail address

**Lesson learned information:**  
**Lesson learned** (information should be brief - there is a 2,000 character limit. Do not include any proprietary, source selection sensitive or other unreleasable information.)

**Suggestions (optional)**

Checking the appropriate streamlining block(s) on the form allows you to provide a more complete profile of your source selection approach.

Your submission should describe any pertinent, positive or negative issues such as new approaches or streamlining efforts that may help others learn what worked or didn't work. If the source selection decision is successfully protested and this resulted in a lesson learned, your input should also address what was learned as a result.

Lessons learned can be submitted by anyone involved in the source selection, (e.g., source selection team member, team leader, contracting officer). As a best practice, use this Internet capability often to view and submit lessons learned.

## Top Ten Messages

1. Use a source selection approach commensurate with the acquisition's evaluation needs. Don't make source selection more complicated and expensive than necessary.

2. Invest in command or program resources needed for a competent and well documented best value source selection.

- Include the source selection authority as an active participant - this is not a "figure head" position.

- Train evaluators in best practices.

3. Understand the importance of planning.

- Think through the entire process.

- Prepare a source selection plan before the solicitation.

4. Structure the solicitation to communicate effectively to potential offerors:

- Government requirements and mission objects.

- The information needed to evaluate the proposal.

- The ground rules the government will use to select the best value proposal.

- Evaluation factors and subfactors and their relative importance.

5. State requirements functionally to the maximum extent possible.

- Limit use of design requirements.

6. Document strengths, weaknesses, risks and associated value of proposals to support the cost/technical tradeoff.

- Recognize that numerical rating systems can imply false precision and limit flexibility in the decision making process.

7. Justify a price premium with cost/technical tradeoff documentation regardless of the selected proposal's technical superiority.

8. Ensure that the source selection decision is consistent with the solicitation.

9. Do a proper and timely debriefing.

10. Document lessons learned.

The proponent of this pamphlet is the United States Army Materiel Command (AMC). Please send comments and suggested improvements to U.S. Army Materiel Command, ATTN: AMCRDA-AP, 5001 Eisenhower Avenue, Alexandria, VA 22333-0001 or submit your comments via the Internet at the following address: <http://www.amc-acquisition.net>

FOR THE COMMANDER:

OFFICIAL:

JAMES M. LINK  
Major General, USA  
Chief of Staff

LEROY TILLERY  
Chief, Printing and Publications Branch

DISTRIBUTION:

Initial Distr H (44) 1 ea HQ Acty/Staff  
Ofc

LEAD (SIOLE-DO-I (2)  
AMCIO-I-S Stockroom (50)  
Separate Reporting Activities (2 ea)  
AMCOM/AMSAM-RM-FD (4)  
AMCOM/AMSAM-SMO (Library) (4)  
ARL/AMSRL-CI-TG (4)  
CBDCOM/AMSCB-CIR (4)  
CECOM/AMSEL-IM-BM-I (4)  
IOC/AMSIO-IML (4)  
LOGSA/AMXLS-IM (4)  
SSCOM/AMSSC-S-IMS (4)  
STRICOM/AMSTI-CS (4)  
TACOM/AMSTA-DRM (4)  
TECOM/AMSTE-CT-N (4)  
USASAC/AMSAC-IM-O (4)

SPECIAL DISTRIBUTION:

AMCRDA-AP (1,000 copies)

## Appendix A: Definitions

**Competitive Range.** All proposals that the contracting officer determines to be the most highly rated based on the cost and noncost evaluation factors stated in the solicitation.

**Design Specification.** A specification that establishes precise measurement, tolerances, materials, in process and finished product tests, quality control, inspection requirements, and other specific details of the deliverable.

**Evaluation Factors and Subfactors.** Descriptions of those aspects of a proposal that will be evaluated quantitatively or qualitatively to assess which proposal can best meet the Government's requirements as described in the solicitation.

**Evaluation Standards.** A baseline level of merit or acceptability used for measuring how well or whether an offeror's response meets the solicitation's requirements with respect to an evaluation factor or subfactor.

**Functional Specification.** A specification that describes the deliverable in terms of form, fit, and function and performance characteristics to satisfy the intended use.

**Performance Specification.** A specification that states requirements in terms of the required results and provides criteria for

verifying compliance, without stating methods for achieving results. It defines the functional requirements, the operational environment, and the interface and interchangeability requirements.

**Rating.** The application of a scale of words, colors, or numbers, used in conjunction with narrative, to denote the degree to which the proposal has met the standard for a noncost factor.

**Source Selection/Evaluation Plan.** The document that explains how proposals are to be solicited and evaluated to make the selection decision. It is the Government's plan for how it intends to acquire its needs.

**Source Selection Process.** The process of soliciting and evaluating proposals for award in a competitively negotiated environment.

**Specification.** A description of the technical requirements for a material, product, or service to be provided under a contract that includes the criteria for determining whether the requirements are met.

**Statement of Work (SOW).** The complete description of work to be performed under the contract, encompassing all specifications and standards established or referenced in the contract.

**Work Breakdown Structure.** A basic framework, similar to a table of contents, which outlines, divides, and subdivides to successively lower levels, the government's requirements as set forth in the SOW. Permits a logical arrangement of the elements of the SOW and a tracing of work effort and costs proposed by each offeror under each of the elements.

## Appendix B: References

The following is a list of some of the sources that can provide more detailed information, policy, guidance, and examples on various aspects of source selection.

Federal Acquisition Regulation (FAR) Part 15, Contracting by Negotiation: -  
<http://farsite.hill.af.mil/reghtml/far/15.htm>

FAR Subpart 15.3, Source Selection: -  
<http://farsite.hill.af.mil/reghtml/far/15.htm#E10E447>

Department of Defense FAR Supplement (DFARS), Part 15: -  
<http://farsite.hill.af.mil/reghtml/dfars/dfars15.htm>

Army FAR Supplement (AFARS), Part 15: -  
<http://acqnet.sarda.army.mil/library/afar/apaa.htm>

Army Acquisition: - <http://acqnet.sarda.army.mil>

DOD Acquisition Deskbook: - <http://www.deskbook.osd.mil>

Acquisition Reform Network (ARNET) - <http://www.arnet.gov>

Federal Acquisition Institute: - <http://www.gsa.gov/staff/v/training.htm>

FAR: - [www.arnet.gov/far/](http://www.arnet.gov/far/)

OSD Acquisition Reform: <http://www.acq.osd.mil/ar>

General Acquisition Information: - <http://thomas.loc.gov/>



## APPENDIX C: TRACKING SAMPLE

### (WBS, SPEC, SOW, Proposal Submission and Evaluation Information (including standards))

Preparing documents at the appropriate point in time and reviewing for consistency and completeness are the necessary building block leading to a quality RFP document, a successful source selection, and ultimately an excellent end product.

Document Sequencing: WBS	SPECIFICATION AND SOW		EVALUATION FACTORS, SUBFACTORS, AND STANDARDS		SUBMISSION INFO
WORK BREAKDOWN STRUCTURE	SPECIFICATION	SOW	PROPOSAL EVALUATION INFORMATION Factor - Technical Subfactor - Software Modification Approach	EVALUATION STANDARDS	PROPOSAL SUBMISSION INFORMATION
3.1 Systems Engineering  3.1.1 Software Engineering  3.1.1.1 Software Modification  3.1.1.2 Code  3.1.1.3 Software Documentation	Software code shall meet the computer software design and coding requirements as defined in International Standards Organization (ISO) 9000-3	3.1.1. The contractor shall modify, integrate and test software as specified in the system specification.  3.1.1.3 The contractor shall prepare a software modification plan	The offeror's software modification approach will be evaluated relative to the modified software's ability to accommodate open architecture, tracking accuracy, and reliability	The standard is met if offeror's approach is sound, reflects understanding of the system spec & RFP requirements, and the modified software, as a minimum, meets CMM level 2 or higher.	The offeror will describe its approach to software modification and explain how the software will accommodate open architecture, conform to ISO-9000-3, track accurately, and maintain reliability.

# Appendix D

## Guidelines for Evaluating Past Performance in Source Selection

### Overview

This appendix is designed to help you participate in the evaluation of past performance when using the tradeoff process in source selection. It should always be used in conjunction with the basic best value guide.

---

### Introduction

---

An offeror's performance record is an important consideration in government source selections. In our private lives, we make source selections every day. This can be as mundane as selecting the brand of toothpaste we use or one that represents a much greater portion of our earnings such as a new car. If we can consider how a product worked (or didn't work) for us in the past, get advice from our friends, read Consumer Reports, and check the contractor out with the Better Business Bureau, wouldn't it make sense to give the same credence to past performance when spending taxpayer dollars?

Using the contractor's past performance as a significant evaluation factor that will be traded off with cost/price and other noncost factors will benefit us in at least two ways.

First, it is virtually impossible for an offeror to convey, in the proposal, how it will actually perform the requirement and what the actual costs will be (not just the instant contract costs, but the total life cycle costs associated with obtaining the system, supply, or service). A better tool for predicting how an offeror will perform in the future is to examine its past track record on contracts for similar requirements of the same scope and complexity.

Second, it permits us to recognize the good performer. In the commercial market, poor performers are weeded out as consumers select vendors that live up to the consumer's expectations. Those contractors that provide what is perceived as the best value in supplies or services are the ones that survive. A contractor that delivers what the contract requires without extensive follow-up effort on our part is clearly delivering better value than a contractor that charges the same price, yet needs constant surveillance by our personnel to ensure performance. It also shifts the emphasis from writing the best proposal to performing the best work - performing as promised.

## Role of Past Performance in Source Selection

---

### Proposal Risk vs. Performance Risk

---

It is important to differentiate between two types of risk usually evaluated in a source selection.

Proposal risks are those associated with an offeror's proposed approach in meeting the requirements of the solicitation. Proposal risk summarizes the risk derived from the technical evaluation. It is an overall assessment driven by each of the subfactors within the technical factor.

Performance risks are those associated with an offeror's likelihood of success in performing the solicitation's requirements as indicated by that offeror's record of current or past performance. Performance risk is assessed separately and assigned a narrative rating. Both proposal and performance risks are, in accordance with the basic guide, integrated with the other evaluation results when presented to the source selection authority for a final decision.

**Performance risks reflect an offeror's likelihood of success based on their current or past work record**

---

### Past Performance vs. Responsibility Determinations

---

It is also important to distinguish comparative past performance evaluations used in the tradeoff process from pass/fail responsibility determinations.

Preaward surveys and pass/fail evaluations in the low price technically acceptable process help you determine whether an offeror is responsible. Responsibility is a broad concept that addresses whether an offeror has the capability to perform a particular contract based upon an analysis of many areas including financial resources, operational controls, technical skills, quality assurance, and past performance. These surveys and evaluations provide a "yes/no," "pass/fail," or "go/no-go" answer to the question, "Can the offeror do the work?" to help you determine whether the offeror is responsible.

Unlike a pass/fail responsibility determination, a comparative past performance evaluation conducted using the tradeoff process is a very specific endeavor that seeks to identify the degree of risk associated with each competing offeror. Rather than asking whether an offeror can do the work, you should ask, will it do that work successfully? In short, the evaluation describes the degree of confidence the government has in the offeror's likelihood of success. If properly conducted, the comparative past performance evaluation and the responsibility determination will complement each other and provide you

with a more complete picture of an offeror than either one could by itself.

---

## Past Performance vs. Experience

---

Another important issue is the difference between contractors' experience and their past performance. Experience reflects **whether** the contractor has performed similar work before. Past performance, on the other hand, describes **how well** the contractors performed the work. In other words, how well did they execute what was promised in the proposal/contract. Both of these areas are considered when making a responsibility determination. Either past performance or experience can be considered as source selection factors or subfactors, where they can either stand alone or be considered under performance risk.

If experience and past performance are separate evaluation factors or subfactors, make certain that you clearly define the terms in the solicitation. This will help you avoid the potential for double counting by asking for the same information. Do not confuse evaluation of past experience with evaluation of past performance. It is proper, however, to distinguish company experience from personnel experience and evaluate both.

---

## When to Evaluate Past Performance

---

Past performance shall be included as an evaluation factor in

competitively negotiated acquisitions unless the contracting officer determines that it is inappropriate and documents the rationale.

## Planning the Past Performance Evaluation

---

### Forming an Evaluation Group

---

In complex acquisitions it may be necessary to form a formal group to specifically evaluate past performance. In smaller dollar value acquisitions that do not involve complex requirements, the evaluation may be accomplished with only one or two people to determine that same risk. This evaluation group may operate separately from the proposal evaluation team or may operate as a separate subgroup of that team. Note, however, that the past performance evaluation should be conducted independently of any other evaluation.

Whether you choose to use an informal or formal evaluation group, the members should be experienced and trained. We will focus on the structure, composition and evaluation process of a formal evaluation group, but bear in mind that while the functions of informal evaluations are basically the same, they should be a lot less time consuming and less involved.

---

## Objectives of the Evaluation Group

---

The evaluation group is responsible for conducting the past performance

evaluation to determine the degree of risk involved in accepting an offeror's promises of performance. This analysis results in a performance risk assessment. The evaluation group documents these performance risk assessments and identifies strengths and weakness in each offeror's past performance. The group often uses the offeror's proposal as the starting point - with the proposal acting primarily as a source of reference. Group members then use independent sources of information outside of the offerors' proposals to determine how well those offerors performed in the past.

---

## **Evaluation Group Membership and Training**

---

The membership and structure of your evaluation group should be tailored to each acquisition. Ideally, the membership should be multifunctional and include people who have contracting, cost/price, contract administration, supportability/logistics, and technical/program management expertise, as appropriate. Those whom you select should also have prior source selection experience and be capable of making sound and impartial judgments. The group's structure should enhance its ability to independently evaluate performance risk.

As a best practice, it is important that contracting organizations set up their own training program for conducting source selections. Individual programs should include tools and techniques for obtaining and evaluating contractor performance data. The heart of the performance risk assessment is the information

gathering process. Through questionnaires, telephone interviews, and site visits, and by tapping existing data sources, the group can obtain a detailed and useful picture of an offeror's past performance. Because of the importance of the information gathering process, it is absolutely critical that group members have the ability to conduct meaningful telephone interviews. They should also be able to assimilate data, exercise sound judgment, arrive at conclusions that make common sense, and communicate those conclusions effectively both orally and in writing.

The size of the group should reflect the number of offerors expected to respond to the solicitation as well as the nature and complexity of the solicitation requirements. The best practice is to limit the size of the group to as small a number as is realistic for the specific circumstances of the acquisition. A group of at least two members of different functional disciplines enhances opportunities for dialogue, brainstorming, and in-depth fact finding.

A plan for evaluating past performance should be developed early in the process and made a part of the source selection plan.

---

## **What Subfactors Should Be Used?**

---

The past performance subfactors, if any, should be tailored to the specific circumstances of the acquisition, but need not mirror those of the proposal evaluation. In most cases the evaluation group should at least consider the

offeror's record for on time delivery, good technical quality, and cost control to determine its likelihood of success in performing the solicitation's requirements.

Some suggested subfactors include:

- The offeror's record of conformance to contract specifications and standards of good workmanship. This may include consideration of quality awards or certifications;
- The offeror's effectiveness in containing and forecasting costs on any previously performed cost reimbursable contracts;
- The offeror's adherence to contract schedules, including the administrative aspects of performance;
- The offeror's history for reasonable and cooperative behavior, commitment to customer satisfaction, timely award and management of subcontracts, and whether the offeror met any applicable goals for subcontracting with small entities.

---

## **Data Relevancy**

---

Relevancy should not be described as a subfactor. Relevancy is a threshold question when considering past performance, not a separate element of past performance. Irrelevant past performance should not form the basis of a performance risk assessment.

Although the group may consider data available from any sources, its main sources of information are often the references cited by offerors in their proposals. Upon receipt of

proposals, you will determine which of the offeror's past contract efforts relate to the solicitation requirements. The evaluation group should screen the information provided for each of the referenced contracts to make an initial determination of its relevance to the current requirement. However, the source selection authority is responsible for the final determination of relevancy.

Relevancy is defined as something that has a logical connection with the matter under consideration. Such aspects of relevance include the type of effort (e.g., development, production, repair), and the type of requirement (e.g., weapon systems, information systems, engineering services, programmed depot maintenance). The objective of the screening is to remove from consideration those contract references that are clearly unrelated to the type of effort sought. Note that valuable information can be obtained from seemingly unrelated prior contracts regarding considerations such as technical capability, management responsiveness, proactive process improvements, and ability to handle complex technical or management requirements. Other members of the source selection team may be consulted as necessary for assistance in determining relevancy.

**Tailor data relevancy and rency to the specifics of each acquisition**

In some cases, previous contracts as a whole may be similar to the current contract while in others only portions of previous contracts may be relevant. For example, we use Ada software language in many different government systems. If a solicitation calls for the development of Ada software for an aircraft system, the contractor might identify a previous effort where it developed Ada software for a satellite terminal. We may consider that previous effort to be relevant for purposes of assessing the contractor's ability to develop Ada software even though the underlying system is different from the current requirement. Another example is the evaluation of the contractor's management, planning, and scheduling of subcontractors on a past service contract for a current production requirement calling for integration skills.

Note that, in the case of mergers or joint ventures, only that part of the newly formed corporation identified with the relevant experience should be evaluated.

The evaluation group should consider the most recent data available. The best practice is to select similar efforts that are either still in progress or just completed, and that have at least one year of performance history. While the actual cut-off time should be determined by the contracting officer on a case-by-case basis, the currency of the information requested should be determined by the commodity and the specific circumstances of the acquisition.

---

## How Much Weight to Give Past Performance

---

Past performance should be given sufficient evaluation weight to ensure that it is meaningfully considered throughout the source selection process and will be a valid discriminator among the proposals received.

**Weight past performance sufficiently to ensure it is a valid discriminator**

---

## What are the Rating Categories?

---

In planning the acquisition, the evaluation group develops a rating scheme for evaluating past performance. The group may use the following definitions of performance risk to describe the results of its assessment:

- **Poor/Very High Performance Risk.** Based on the offeror's performance record, extreme doubt exists that the offeror will successfully perform the required effort.
- **Marginal/High Performance Risk.** Based on the offeror's performance record, substantial doubt exists that the offeror will successfully perform the required effort.
- **Adequate/Moderate Performance Risk.** Based on the offeror's performance record, some doubt exists that the offeror will successfully perform the required effort.

- **Good/Low Performance Risk.**

Based on the offeror's performance record, little doubt exists that the offeror will successfully perform the required effort.

- **Excellent/Very Low**

**Performance Risk.** Based on the offeror's performance record, essentially no doubt exists that the offeror will successfully perform the required effort.

- **Unknown Performance Risk.**

No performance record identifiable. See "How to Evaluate No Past Performance."

---

## How to Evaluate No Past Performance

---

In most cases the evaluation group will find some related government or other public or private past performance information for each contractor and subcontractor. Such information will usually surface if the evaluation approach allows a broad interpretation of relevancy or takes into account information regarding the past performance of predecessor companies, key personnel who have relevant experience, or subcontractors that will perform key aspects of the requirement.

Occasionally, however, an evaluation group cannot find any relevant information. In those cases, you must treat an offeror's lack of past performance as an unknown performance risk, having no positive or negative evaluative significance. This allows the government to evaluate past performance in a manner that is fair to newcomers. It neither rewards nor penalizes firms without relevant performance history. The method and criteria for evaluating

offerors with no relevant past performance information should be constructed for each specific acquisition to ensure that such offerors are not evaluated favorably or unfavorably on past performance.

You may use a variety of rating methods to evaluate offerors with no past performance history. Regardless of the method selected, the solicitation must clearly describe the approach that will be used for evaluating offerors with no relevant performance history.

**Encourage newcomers to identify other related past performance information**

You can also ease the impact on newcomers by including language in the solicitation that encourages them to identify related past performance information for Federal, state and local government contracts, commercial contracts, key personnel, and major subcontractors.

---

## What to Include in the Solicitation

---

### ***"Blueprints" Link, "Format for Submission of Past Performance Information"***

The solicitation, at a minimum, must clearly describe the approach you will use to evaluate past performance. The approach must include what past performance information you will evaluate, how it will be evaluated, its weight or relative importance to the other evaluation factors and subfactors, and how you will evaluate offerors



with no past performance history. The amount of information you request should be tailored to the circumstances of the acquisition. The amount should be reasonable and not impose excessive burdens on offerors or evaluators. The proposal evaluation information, as a minimum, should clearly state that:

The government will conduct a performance risk assessment based upon the past performance of the offerors and their proposed major subcontractors as it relates to the probability of successfully performing the solicitation requirements;

In conducting the performance risk assessment, the government may use data provided by the offeror and data obtained from other sources; and

While the government may elect to consider data obtained from other sources, the burden of providing thorough and complete past performance information rests with the offeror.

The proposal submission instructions must, as a minimum, instruct offerors to submit recent and relevant information concerning contracts and subcontracts (including Federal, State, and local government and private) that demonstrate their ability to perform the proposed effort.

Rather than having the offeror submit a lengthy narrative response, the information requested should be limited to a half-page summary of the offeror's performance claim for each contract or subcontract. The summary should include contract numbers, contract type, description

and relevancy of the work, dollar value, contract award and completion dates, and names phone numbers, and e-mail addresses for references in contracting and technical areas.

In addition, offerors should be given the opportunity to explain why they consider the contracts they have referenced as being relevant to the proposed acquisition. Relevancy is defined as something that has a logical connection with the matter under consideration. (See section entitled, Data Relevancy.) The instructions should also permit offerors to provide information on problems encountered on such contracts and the actions taken to correct such problems. Also, it is important that the offeror specifically describe the work that its major subcontractors will perform so that the evaluation group can conduct a meaningful performance risk assessment on each major subcontractor.

A best practice is to use presolicitation exchanges of information with industry, (e.g., draft solicitations, presolicitation/preproposal conferences) to explain the approach you will use to evaluate performance risk. This helps to ensure that potential offerors have a clear understanding of how their past performance will be evaluated.

## **The Past Performance Evaluation Process**

---

### **How to Begin**

---

The evaluation group leader should hold a meeting of group members as soon as possible prior to the receipt of proposals to outline the

evaluation process, obtain signed nondisclosure statements, and distribute the evaluation plan and Request for Proposal (RFP). The requiring activity should brief the evaluation group on the technical requirements of the acquisition. A best practice is to limit the past performance evaluation to a few (normally three or four) most recent and relevant contracts.

**Limit the evaluation to a few most recent and relevant contracts**

The group leader may assign each group member an offeror(s) for whom they will screen the available data to select the most recent and relevant references for in-depth fact finding. However, some contracting activities prefer to assign the work by functional area rather than by offeror. In either event, the group members will meet after gathering past performance information, to determine the performance risk ratings.

## **What Sources of Data are Available?**

The evaluation group may consider data available from many sources, including data from various automated data bases, but its main sources of information are often the references cited by offerors in their proposals. Upon receipt of proposals and any information on past contracts from government or commercial sources, the

evaluation group will assess which of the offeror's past contract efforts relate to the solicitation requirements. These assessments of relevancy are judgment calls.

## **Can the Evaluation Group Use Commercial References?**

The best practice is to rely on government sources of information. However, it is permissible to use other public and private references such as Dun and Bradstreet, information received from commercial and foreign government sources, awards of excellence or vendor quality certifications that reflect on companies performing the work, when appropriate. These references should be relevant to the effort set out in the solicitation.

## **Verifying Past Performance Data**

The evaluation group should verify information received from all sources, whether contained in government evaluation reports on completed work, a data base, or other public or private sources, to ensure accuracy. The use of such references for one offeror does not require the same for all offerors so long as sufficient information is available for them. The verification must seek to identify supporting rationale for any evaluation report so that performance assessments always rely on supported statements, even if the source of the information is part of a data base.

**Verify all information, even if from a data base**

---

## How to Collect Information

---

The evaluation group gathers information through the use of questionnaires, telephonic inquiries, and various data bases. Experience indicates that questionnaires provide useful but incomplete information. A helpful approach is to start by sending a questionnaire tailored to the source selection to each reference and to conclude by calling those who respond with pertinent information. Whether you send questionnaires or not, you will most likely conclude by calling the reference to obtain more detail or clarification. While telephone interviews are an excellent means to obtain information, innovations in the field of technology have afforded us with additional means of verification such as e-mail.

Questionnaires should be short, concise and consist of no more than a page to a page and a half of questions.

*"Blueprints" Link, "Typical Past Performance Questions".*

---

## Where to Conduct Telephone Interviews

---

Following the screening of previous contracts for further in-depth review, each evaluation group member should send questionnaires and/or initiate telephone calls to the identified references for those efforts. The interviewing and reporting of results are usually individual efforts conducted by each evaluation group member. However, it is sometimes helpful to collect

information as a group through the use of conference calls. In any event, the environment in which this work is done significantly impacts both the time required to complete this portion of the process and the quality of the results. These activities are hampered severely if each group member attempts to conduct telephone interviews at their normal work site with all of its attendant interruptions, distractions, and security risks.

If, on the other hand, the group members are able to assemble as a group for telephone interviews, they will be able to provide considerable reinforcement and instant feedback for one another. Group members should be able to devote their undivided attention to this initial assessment process. Although this approach requires a secure area that is large enough to accommodate all of the group members, the resulting benefits are significant.

---

## How to Conduct Telephone Interviews

---

The telephone interview process is an art form. Until a smooth conversation pattern is developed, it is an inherently uncomfortable situation for many people. There will be some difficulty learning how to start a telephone interview, keep it moving, and cover all important areas. As the interviewing process continues, the evaluation group member usually uncovers special items of interest that he or she will want to pursue through follow-up calls.

At least two references should be contacted on each previous contract effort selected for in-depth review. The contracting officer, program manager, and contracting officer's representative often prove to be excellent sources of information. Additional references are often identified during the interviews. Maximum effectiveness occurs when the expertise of the evaluation group interviewer matches that of the reference.

Prior to initiating a telephone interview, a group member should gather all available information on a specific effort and draft a list of questions. There may be a common group of questions for all offerors and/or tailored questions for each offeror, depending upon the circumstances. These questions can either be sent as questionnaires to each reference or be used by the group member during the telephone interview.

At the start of each telephone interview, the group member should explain the purpose of the call and request voluntary assistance from the reference. The interviewer should explain that he or she will document the results of the conversation and send a copy of the memorandum to the reference for verification. There is usually no need to divulge the solicitation number, program description, or other identifying information to the reference. If you do so, you need to obtain a nondisclosure statement.

In most instances the reference will willingly provide the information requested. In those rare cases when the reference is reluctant to participate, the interviewer should

assure the reference of anonymity. At the least, the reference should be requested to provide additional references.

It is important to pursue and document the underlying facts supporting any conclusionary statements received on a contractor. The evaluation group member can determine neither the magnitude of a reported problem nor its possible impact on the current risk assessment without first understanding the details surrounding the problem. It is helpful for the group members to meet periodically to share information and ideas.

---

## How to Document Telephone Interviews

---

Immediately following a telephone interview, the group member must prepare a narrative summary of the conversation and send it to the reference for verification. E-mail and datafax transmissions are encouraged. The following step is extremely important. Extra care must be taken to ensure accuracy, clarity, and legibility because these summaries often represent the only written back up supporting the opinions and conclusions of the final assessment report.

In order to maintain accurate records and facilitate verification, the telephone record form should include the reference's name, full mailing and electronic addresses and telephone number, the date and time of the call, and the description of the contract effort discussed.

The evaluation group member should send the telephone memorandum to the reference, stating explicitly that if

the reference does not object to its content within the time specified, it will be accepted as correct. The amount of time allowed for a response depends on the circumstances of each acquisition. Note that the reference need not sign a nondisclosure form if the group member withholds the identity of the program and solicitation number.

If a reference indicates that the narrative is incorrect, then a corrected narrative must be sent for verification. Experience indicates that in most instances, changes are minor. If, however, a reference expresses opposition to a record and satisfactory corrections cannot be agreed upon, the evaluation group should not rely on the record. Another source, however, may provide the same information.

**"Blueprints" Link, "Typical Telephone Record for Past Performance Interview"**

---

## **How to Assign Performance Risk Ratings**

---

Once the telephone interviews are completed, the entire evaluation group needs to assess all offerors and assign performance risk ratings. The evaluation group should note instances of good or poor performance and relate them to the solicitation requirements and evaluation factors. Once again, it is helpful for the evaluation group to review the statement of work, specifications, and the evaluation approach described in the solicitation. If the evaluation group identifies past performance problems, it should consider the context of the problems

and the role government fault or mitigating circumstances played. The evaluation group should not limit its inquiry solely to the proposing entity if other corporate divisions, contractors or subcontractors will perform a critical element of the proposed effort. The performance record of those organizations should be assessed in accordance with the solicitation. Performance risk assessments should consider the number and severity of problems, the demonstrated effectiveness of corrective actions taken (not just planned or promised), and the overall work record.

The evaluation group's assessment is usually based upon subjective judgment. It is not intended to be a mechanical process or a simple arithmetic function of an offeror's performance on a list of contracts. Rather the information deemed most relevant and significant by the group should receive the greatest consideration. The assessment should include a description of the underlying rationale for the conclusions reached. As long as that rationale is reasonable, it will withstand scrutiny even if other reasonable conclusions exist.

A word of caution is appropriate concerning offeror promises to correct past performance failures, as opposed to actions already taken to correct such failures. A promise to improve does not, by itself, improve past performance. However, **demonstrated** corrective actions reflect a commitment to rectify past performance problems, and therefore, can lower the risk of similar performance failures.

---

## Disclosing Past Performance Information to Offerors

---

The contracting officer must also provide offerors with the opportunity to comment on negative past performance information on which offerors have not had a previous opportunity to comment. This practice ensures fairness for the competing offerors. The validation process is particularly important when the negative information is provided by only one reference, or when there is any doubt concerning the accuracy of the information. Usually, negative information reflects performance that was less than satisfactory, although this is a judgment call that will depend upon the circumstances of the acquisition. Note that while the government must disclose past performance problems to offerors it shall not disclose the names of individuals who provided information about an offeror's past performance.

A special problem arises with respect to subcontractors. Past performance information pertaining to a subcontractor cannot be disclosed to a private party without the subcontractor's consent. Because a prime contractor is a private party, the government needs to obtain the subcontractor's consent before disclosing its past performance information to the prime during negotiations. There are a variety of ways to obtain subcontractor consent. For example, the solicitation could require the prime to submit its subcontractor's consent along with the prime's proposal to the government.

---

## What to Include in the Assessment Report

---

The goal is to avoid saying too much or too little in the evaluation report. Although there is no need to restate everything contained in the telephone memoranda, the evaluation group must provide the source selection authority with sufficient information to make informed judgments.

Conclusionary statements must be supported by the underlying factual basis. The best practice is to state the conclusion and provide specific examples that support that conclusion.

To ensure that the risk assessments provide the necessary background information and are structured consistently, the entire evaluation group should review and evaluate the report on each offeror. During this review, the evaluation group should correct statements that appear unsupported, inconsistent, or unnecessary.

Occasionally the evaluation group will be unable to arrive at a unanimous agreement on a particular risk assessment. If this occurs, the evaluation group may include the dissenting opinion as part of the assessment report.

---

## **Reporting the Past Performance Evaluation Results**

---

The evaluation group's submission of the assessment report usually completes the major portion of its work. The evaluation group leader, should remind the source selection official of the purpose of the group and the past performance evaluation approach, including offerors with no past performance history, described in the solicitation. This is to ensure that everyone fully comprehends the significance of the results being reported. Experience reveals that source selection officials are more apt to rely upon evaluation group results if they thoroughly understand the process.

---

## **How to Treat Past Performance Information**

---

Information concerning the past performance of an offeror or of its proposed subcontractors should be treated as sensitive source selection information. This information sometimes includes information that is proprietary, such as trade secrets and confidential commercial or financial data that would not be released under the Freedom of Information Act. Current laws, regulations, and policies governing storage, access, disclosure, and marking of source selection and proprietary information must be observed at all times. Questions concerning the procedures for the handling of past performance information should be referred to the contracting officer or legal counsel for resolution.

The evaluation group must retain the records of its activity throughout the source selection process. Upon contract award or cancellation of the solicitation, all evaluation group records are provided to the contracting officer for retention along with the other source selection documents.

### **Improving the Evaluation Process**

The methods described in this guide will evolve as our needs change and as our knowledge base expands. It is important for all of us to share lessons learned in this process. You can help others benefit from your experiences by submitting lessons learned via the Internet at <http://www.amc-acquisition.net>.

# Appendix E

## Guidelines for Oral Presentations

### Overview

This appendix will help you understand oral presentations and utilize them during the source selection process. It should always be used in conjunction with the basic best value guide.

---

### Introduction

---

For internal decision making, we don't generate volumes of written material and data and expect the decision maker to read it all and make a decision. We present the facts in a briefing (an oral presentation), discuss the issue and answer questions, and get a decision.

Oral presentations can substitute for a portion of the traditional written proposal in competitive negotiated acquisitions and serve the purpose of a briefing. Oral presentations have emerged as one approach offering promise of saving time, staff resources, and money.

The purpose of this Appendix is not to present "best practices" or to dictate a "right" or "wrong" approach to the use of oral presentations. We do not have enough practical experience to know exactly what is best or right or wrong. We believe that, like most other tools that are available, the particular circumstances must be used to determine the correct use of this method.

Nonetheless, there are some guidelines and principles for use of oral presentations. By considering these guidelines, oral presentations can become a powerful and useful approach to doing business and streamlining the acquisition process.

---

### What is An "Oral Presentation"?

---

Oral presentations provide offerors an opportunity to present information verbally that they would ordinarily provide in writing. Oral presentations eliminate, or greatly reduce, the need for written material, where information can be verbally conveyed more efficiently and effectively. Evaluators can receive information as to the capability of the offeror -- generally demonstrating its understanding of the work or describing how the work will be performed -- directly from the key members of the offeror's team that will actually perform the work.

For the purposes of this guidance, an oral presentation presents verbally proposal information that traditionally is presented in writing. It is conducted in real time and permits communication between presenter and evaluator, so it could be in person or via video teleconference, for example. A taped video presentation, therefore, does



not constitute an oral presentation. It does not provide the advantages of communicating and exchanging information. If offerors perceive it as an expensive proposition because of the need for professional taping facilities, it could become a barrier to market entry. This could particularly impact small business.

Whether you use an oral presentation or get everything in writing, the same principles of fairness, impartiality, and good business judgment must be followed.

---

### **When Should You Consider an Oral Presentation?**

---

Clearly, there is no one best approach for using oral presentations. They can be used in a variety of acquisitions using different contract types. You can design a scheme that best fits the nature of the acquisition and the availability of resources. You must be prepared to commit resources and capable evaluators to this intense and innovative process. Your methodology can include the most appropriate features that can streamline your particular solicitation and source selection. On the other hand, if your design includes inappropriate features because of poor business judgement or an attempt to use a "one size fits all approach," you will not gain the efficiencies and savings in time and costs that are possible. Worse, you may end up with a failed process that ends in a protest or other litigation.

Oral presentations are most useful when the requirements are clear and

complete. They seem to work especially well with performance and functional specifications and statements of work. If you request complex management or technical information, your presenters and evaluators will not be able to effectively use oral presentations.

**Oral presentations can be effective in evaluating offeror qualifications and understanding of work**

If you are requesting information to evaluate an offeror's qualifications or understanding of the work, an oral presentation can be an effective tool. A multiple-award task order contract might be a prime candidate in this regard. Usually you will be evaluating the capability and understanding of the offerors for the type of work to be done - exactly the type of information an oral presentation can most effectively provide. The actual work will be specifically defined in each order.

In deciding whether to use oral presentations, you might also consider industry input. Your market research might reveal circumstances that are favorable or unfavorable to its use. Later in the process, you may get feedback from a draft solicitation or a preproposal conference that makes an oral presentation more or less attractive as a part of your source selection.

## Planning For an Oral Presentation

You first decide and plan on the use of oral presentations when the source selection or evaluation plan is developed. At this point the evaluation factors and subfactors and proposal preparation instructions are determined. This is when you decide if your particular circumstances are appropriate for an oral presentation and how it will be included in your source selection process. The oral presentation method does present some unusual considerations. Offerors will be presenting information orally instead of in writing. The solicitation must clearly identify the ground rules for conducting oral presentations and include adequate information from which offerors can prepare their proposals.

---

### Evaluation Factors and Subfactors

---

You decide on the proper discriminators to make the source selection based on your requirements, objectives, perceived risks, and market research. Once the factors and subfactors are selected, then you can decide whether the information required to evaluate the offeror can be reasonably presented orally. Technical and management information are generally the subjects of oral presentations. The factors and subfactors in these areas should be selected to determine how well qualified the offeror is to perform the work, how well the offeror understands the work, and how the offeror will approach the work. In most situations, the oral presentation will be limited to, and

directed to, those evaluation factors and subfactors.

---

### Proposal Preparation Instructions

---

If oral presentations are appropriate, you must notify offerors in the RFP that oral presentations will be used to evaluate and select the contractor. Highlight this in the solicitation cover letter and/or the Executive Summary. Likewise, the proposal preparation instructions must contain explicit instructions and guidance regarding the extent and nature of the process that will be used. For instance, the Proposal Preparation Instructions may require the oral presentation to follow a detailed outline which directly relates the information presented to the evaluation factors and subfactors or may direct the order in which material is presented, and may divide the presentation into topics, tasks, or sections. You may want to give the offeror a "pop quiz" as part of the presentation. If you do, however, you may have to develop variations of your quiz if some offerors are using the same subcontractors so that those later presenters don't have a prepared answer. Also, consider if you want the offeror to submit the presentation material (e.g., charts) before the actual presentation.

The instructions governing the oral presentation should discourage elaborate presentations or presentation material. You don't want a dog and pony show.

## Developing Sound Preparation Instructions For Oral Presentations

- Describe the topics that the offeror must address orally and the technical and management factors that must be covered;
- State the total amount of time that will be available to make the presentation and who must make the presentation;
- Describe the limitations on Government-offeror interaction during, and, if possible after, the presentation;
- State whether the presentation will constitute discussions;
- State whether the presentation will encompass price or cost and fee;
- Describe the characteristics and arrangement of the presentation site;
- State the rules governing the use of presentation media;
- Describe the format and content of presentation documentation, and their delivery;
- State whether the presentation will be video or audio taped; and
- State the approximate timeframe when presentations will be made.

---

## Types of Information

---

Determining the types of information that will be provided orally is extremely important. Trying to collect and evaluate the wrong type of information will not only make the evaluation more difficult, if not impossible, but also slow the process and probably rob you of the benefits of using oral presentations in the first place. Also, you can create problems later in the process, e.g., in determining the competitive range or in conducting discussions. Oral presentations can convey information in such diverse areas as: responses to sample tasks and other "tests"; understanding requirements; experience; quality of samples; and transition plans. You cannot fairly collect or evaluate cost/price information, representations and certifications, and personnel resumes orally. Complex and detailed information that will become part of the contract will also be difficult to obtain and evaluate orally. Remember, you cannot incorporate oral statements in the contract by reference. Any information that you want to be made part of the contract needs to be put in writing.

Proposal information will consist of both written and oral material. As a rule of thumb, hard data ("facts") regarding an offeror's performance history and contractual commitments should be provided as part of the written information. Soft data (e.g., capability, plans, approaches) can be conveyed accurately and in sufficient detail through oral presentation.

## **Timing of the Presentation**

The question here is when to hear the oral presentation. This timing decision should focus on how the information will be used in the process and how it affects your potential offerors. If you intend to award on the basis of initial proposals, the timing is not so important. If the presentation is going to be part of the competitive range determination, then timing is important and you must be careful to make sure you don't get into "discussions" or "negotiations" before, during, or immediately after the presentation. Since preparing and presenting an oral presentation involves time and expense, you don't want to require presentations from offerors who aren't likely to be a serious candidate for award. This can be an important consideration with small business. When this is a concern, you may want to hold oral presentations after you have established the competitive range.

## **Preliminary Matters**

### **Selecting the Order of the Presentations**

A lottery or drawing lots by the Contracting Officer is most often used to determine the sequence of presentations. The time between the first and the last presentation should be as short as possible to minimize any advantage to the later presenters. The solicitation should spell out how the selection will be made. You must also decide up front whether any rescheduling will be permitted if an offeror requests a change after you have set the

schedule. Consider scheduling problems and how many presentations and evaluators are involved.

## **The Facility**

Usually you will want to conduct the presentations at a facility that you can control. This will probably be more convenient for both sides; it helps you guard against surprises, and ensures a more level playing field. However, nothing precludes an oral presentation at an offeror's facility. This may be more efficient if site visits, or other demonstrations, are part of the source selection.

## **Facility Rules of Thumb**

- **Make it comfortable for both the presenters and the Government evaluators. The room should be large enough to accommodate all of the participants, the recording equipment, lighting, audiovisual aids, and furniture.**
- **Make it accessible.**
- **Make it available, if possible, for inspection by the offerors prior to the time set for the actual presentation.**

The solicitation should describe the facility and resources available to the offeror. In addition, the solicitation should be clear as to what types of equipment will be available for the presentation, what equipment, if any, should be provided by the offeror, and any prohibitions regarding equipment types and uses. In addition to

making the facility available for inspection, you might consider making it available to offerors for a practice session if circumstances warrant. Allowing offerors to get acquainted with the facility will help ensure that it does not detract from the presentation content.

---

## Discussion of Ground Rules

---

Prior to any presentations, the contracting officer should discuss responsibilities, both during and following the presentation, with all the Government participants. Remind them that an oral presentation is source selection sensitive and that they may not discuss, within or outside the agency, (except among themselves) anything that occurred or was said at a presentation.

You should also go over the guidelines for the scope of questions and information exchanges with offerors during the presentation. Make sure everyone understands that the intent is to encourage the exchange of information. But you also have to ensure that any limits are clearly understood. If you are combining the presentation with discussions, this is less of a problem. If you intend to avoid discussions, you will have to establish clear guidelines such as the Contracting Officer/Contract Specialist controlling all exchanges during the presentation. You want to avoid too much control and regulation which might inhibit exchanges of information. Good training and experience in this technique will take care of most of these potential problems.

---

## Recording the Presentation

---

Recording the presentation is not only required, it makes good business sense and has some distinct advantages. A recording permits evaluators to review the presentation to verify information. In the event of a protest or litigation, you will have an exact record of the presentation. Obviously, if you record one, you must record them all and only the Government should be permitted to record the presentation. Several methods, such as videotape, audiotape, or verbatim written transcripts, are available.

If videotaping is to be used, an audiovisual specialist should be used to operate the taping equipment to ensure the quality of the recording. The videotaping facilities should allow for natural behavior of presenters. If slides or view graphs are used, the camera should view both the podium and screen at the same time. Microphones should be placed so that all communications can be recorded clearly and at adequate volume. The videotape will become part of the official record, and a copy should be furnished to the offeror. As part of the official record, the recording is considered Source Selection Sensitive and should be treated accordingly. Similar considerations exist when only an audiotape will be recorded. The point is that every effort should be made to avoid letting the recording become the focus of the presentation.

# Conducting the Oral Presentation

## Government Attendance

As a general rule, all of the Government evaluators should be present at every presentation. The Contracting Officer/Contract Specialist must attend and should chair every presentation. Obviously, the Source Selection Authority must decide whether to attend all the presentations or none of them.

## Reviewing the Ground Rules

Prior to the presentation, the Contracting Officer/Contract Specialist should review the ground rules for the presentation with the offeror. You should discuss any restrictions on Government-offeror information exchanges, information disclosure rules, documentation requirements, and housekeeping items.

**Make sure everyone knows the rules in advance**

If you are using a quiz as part of your evaluation, you also need to discuss the ground rules for that. Can the offeror caucus before answering? Can the offeror contact outside sources by cell phone before responding? Make sure that everyone knows the rules.

## Presenters

Presentations should be made by the offeror's key personnel who will perform or personally direct the work being described, such as project managers, task leaders, and other in-house staff. You need to avoid letting the oral presentation become the domain of the professional presenter.

This would be another way to increase costs, detract from the advantages of oral presentations, and adversely affect small businesses. This is your opportunity to actually meet and evaluate the people who will be leading or doing the work.

**Presenters should be those who will be directly involved in the work**

Submitting videotapes or other forms of media in addition to the presentation should be avoided. If there is major subcontracting, members of subcontractor staff should make the relevant presentation. By requiring the oral presentation to cover only useful information and by limiting the amount of time available for the presentation, sales pitches and costs can be minimized.

---

## **Time Limit**

---

You have to establish a firm time limit for each presentation in the solicitation. You should also restrict the amount and type of presentation material that an offeror may use during the presentation. You may want to restrict the number of charts or the number of bullets on each chart. There is no "ideal" amount of time to be allotted. The only indicators to follow are the complexity of the acquisition and your own (or others) experience and lessons learned. If you are planning a question and answer session, you should exclude it from the allotted time for the presentation or set a separate time limit for it.

It is not advisable to limit the time for individual topics or sections within the presentation. As with the proposal itself, this detail is the responsibility of the presenter.

---

## **Exchanging Information with Offerors During the Oral Presentation**

---

Open communication and dialog between the offeror and the Government are one of the primary benefits to using oral presentations. As indicated previously, the nature and extent of information exchanges between the offeror and the Government evaluation team is an issue that must be met head on. The rules established in regulation regarding exchanges with offerors during the course of the solicitation process must be watched carefully. This can be especially important if you decide to have your presentations before you establish the competitive

range or you are contemplating making an award without discussions. You do not want to inadvertently trigger the rules regarding discussions. Establishing the ground rules in the solicitation for exchanges during the presentation and reviewing them before the presentation is a must. However, limiting dialog to questions that merely repeat statements that may not have been heard by the evaluators makes little sense and adds little value in improving the understanding of the offeror's presentation.

On the other hand, if you've already established the competitive range, the oral presentation may be the optimal setting for conducting discussions.

## **Evaluation of Presentations**

Again, there is no firm rule regarding the best time to evaluate the presentation. Generally, the sooner the better. There are many factors to consider: how many presentations there are; how long each presentation is allowed; and how many evaluators are involved. Evaluations can be performed immediately following each presentation. The evaluations could be performed after all of the presentations have been made, possibly after reviewing the videotape again. If you decide to wait, the evaluators should caucus following each presentation to exchange reactions, summarize potential strengths and weaknesses, and verify perceptions and understandings. Using preprinted evaluation forms will help the

evaluators collect their thoughts and impressions. These forms will be useful no matter when evaluations are done and will be more useful if the evaluation standards are preprinted on the form. Remember, even if you use preprinted forms, evaluators have to provide the rationale for their conclusions.

---

## Documentation

---

The solicitation should require that the offeror provide a listing of names and position titles of all presenters and copies of all slides and other briefing materials that will be used. The presentation might be more useful if the materials are provided to the evaluators before the presentation so they can familiarize themselves with the information. These items become part of the official record along with the audio or video tape recording or transcript. The master copy of the tape or transcript should be sealed and securely stored to ensure there would be no allegations of tampering in the event of a protest or court action requiring additional copies to be made. Your ground rules should be clear about how you will treat documents or information referenced in the presentation material but never presented orally. You should also be clear about how you will evaluate material that doesn't comply with your solicitation instructions, such as too many charts or too many bullets per chart. Remember, the object is to communicate information efficiently, effectively, and fairly and to avoid surprises.

## Advantages Of Oral Presentations

Oral presentations have the potential of significantly reducing the time and costs associated with the source selection process. Both sides can benefit from this. Oral presentations can avoid lengthy written marketing pitches and essay writing contests. Some types of written proposal information, particularly technical and management, which are costly to prepare, may be better conveyed and understood when explained orally or demonstrated visually.

Oral presentation techniques also allow greater "face-to-face" interaction between buyers and sellers. Through an oral presentation, evaluators often gain a view of the offeror's key personnel by witnessing how they present themselves, how they work together, and how they communicate technical information to Government personnel. This process provides many of the features of a "job interview" of the proposed key individuals such as the Project Manager. Additionally, the oral presentation process may provide an opportunity to separate offerors who really have the expertise to satisfy the requirement from those offerors who simply know how to write a great proposal.



## **Advantages Of Oral Presentations**

- Can Save Significant Time
- Can Improve Communication Between the Government and Offerors
- Can Reduce Government Evaluations Costs
- Can Reduce Offerors' Proposal Preparation Costs
- Can Increase Competition by Reducing Market Entry Barriers
- Can Improve Ability to Select Most Advantageous Offer

## **Conclusion**

Real world application of the use of oral presentations in competitive source selections has already proven the concept workable and beneficial. Reaction from both Government and industry has been generally favorable. There are several advantages for both parties in this process. Oral presentations do require planning, flexibility, and understanding the rules by everyone involved. Consider being an observer at an actual oral presentation so you are prepared for the give and take and potential benefits that you can gain from this process.

## Practical Hints On the Use Of Oral Presentations

- Presenters should not include overly detailed, technical information on slides. Attempting to put a written technical proposal on presentation slides makes it difficult for evaluators to read and follow.
- Ask for briefing materials in advance of the presentation so that the evaluators attending the presentation can review them. This will improve the evaluators' ability to understand the presentation.
- The setting for the oral presentation should be comfortable and free from disturbance and interruption.
- The proposal preparation instructions should clearly state whether the information in the oral presentation will be used solely for evaluation purposes in selecting the contractor, or whether such information may become part of the contract.
- The Government should not accept any materials that were not actually part of the oral presentation.
- Where time limits or restrictions on the amount of presentation material will be used, such restrictions should be clearly identified in the solicitation.
- Allow sufficient time between presentations to permit the evaluation team to caucus and reach consensus.
- If practicable, evaluate and rate the oral presentations immediately after each presentation is made.
- Require the offeror's key personnel to make the oral presentation.
- Schedule the oral presentations as soon as practicable after receipt of proposals.
- If award on the basis of initial proposals is not contemplated, if possible, limit the oral presentations to only those firms in the competitive range.
- Do not replicate information already requested in the written proposal in the oral presentation.
- Judiciously limit evaluation factors and subfactors to what's most important to the source selection and clearly identify the factors that apply to the oral presentation.

# Appendix F

## Guidelines for Conducting Debriefings

### Overview

This appendix provides easy to follow guidance for conducting both preaward and postaward debriefings. It should always be used in conjunction with the basic best value guide. Using this guidance will result in meaningful debriefings and will instill greater confidence in the acquisition process. Comprehensive and open debriefings will strengthen and enhance our relationship with industry.

### What Is A Debriefing?

A debriefing is a meeting between government personnel and an offeror who has been eliminated from the competition either prior to or after contract award. The purposes of a debriefing are:

- To explain the rationale for exclusion from the competition.
- To instill confidence in the offeror that it was treated fairly.
- To assure the offeror that proposals were evaluated in accordance with the solicitation and applicable laws and regulations.

- To identify weaknesses in the offeror's proposal so the offeror can prepare better proposals in future government acquisitions.
- To reduce misunderstandings and protests.
- To give the offeror an opportunity to provide feedback regarding the solicitation, discussions, evaluation, and the source selection process.

#### A debriefing is NOT:

- A page-by-page analysis of the offeror's proposal.
- A comprehensive point-by-point comparison of the proposals of the debriefed offeror and the successful offeror(s).
- A debate or defense of the government's award decision or evaluation results.

**Debriefings enhance understanding of the selection process**

---

## **Who Is Entitled To A Debriefing?**

---

Whenever the Government awards a contract based on competitive proposals, an unsuccessful offeror is entitled to a debriefing if it timely requests one. Debriefings are not required when sealed bidding procedures are used.

Offerors excluded from the competitive range or otherwise excluded from the competition before award may request a preaward or postaward debriefing.

Good business practice dictates that the Government should debrief the awardee if requested. Although the Government often conducts a postaward conference with the awardee, that meeting does not necessarily substitute for a debriefing.

---

## **When Must A Debriefing Be Conducted?**

---

The Government must conduct a debriefing for an unsuccessful offeror if: (1) the offeror makes a written request for a debriefing, and (2) the request is received by the contracting activity within 3 days after the offeror received notice of exclusion from the competition or contract award.

*Here's a simple rule for computing time periods: Count days as calendar days and include weekends and legal holidays. Don't count the day the offeror received the notice. Start with the next day. For example, if the offeror received the notice*

*on Tuesday, the 1st day is Wednesday, the 2d day is Thursday, and the 3d day is Friday. Thus, you must receive the request for the debriefing no later than close of business on Friday.*

Establishing the date the offeror received the notice may be difficult if the notice is sent by regular mail. Accordingly, you should consider sending the notice by mail with return receipt requested or by electronic transmission (fax) with immediate acknowledgment requested. Remember, every day of delay in notifying the offeror usually extends by one day the time in which a protest may be filed.

If the request is for a preaward debriefing, the contracting officer shall make every effort to debrief the unsuccessful offeror as soon as practicable. If there are compelling reasons that it is not in the Government's best interest to conduct the debriefing prior to award, the contracting officer can delay it no later than the time when postaward debriefings are provided. In such cases, you must document the contract file with the rationale for the delay. This debriefing should then be conducted as a postaward debriefing.

If an offeror, who has been eliminated from the competition prior to award requests a delayed debriefing (i.e., postaward), the date the offeror knew or should have known the basis of a protest shall be the date the offeror received notice of the exclusion from the competition.

If you receive a timely request for a postaward debriefing, you must conduct the debriefing within 5 days, to the maximum extent practicable, after receipt of the request. Remember that the scheduling of a debriefing may have significant ramifications if a protest is later filed. A protester filing a protest with the General Accounting Office (GAO) is entitled to an automatic suspension of contract performance if the protest is filed within 5 days of the debriefing date offered to the protester (or 10 days after contract award, whichever is later).

Thus, it is extremely important that you schedule the debriefing for the earliest possible date for the Government. You should inform the offeror of the scheduled date in writing by electronic means with immediate acknowledgment requested. If the offeror is unable to attend the scheduled date and requests a later date, the offeror should be required to acknowledge in writing that it was offered an earlier date, but requested the later date instead. This procedure will protect the Government's interests if the offeror subsequently files a protest.

If an offeror submits an untimely request for debriefing (i.e., received more than 3 days after notice of elimination from the competition or contract award), the contracting officer should nonetheless conduct a debriefing if feasible. However, the contracting officer should inform the offeror that the request is untimely. Untimely requests do not invoke the statutory provision for automatic

suspension of contract performance unless the protest is filed within 10 days of contract award.

The time periods stated in this guidance were current on the date of publication. However, always check with your legal counsel for the latest GAO rules and revisions.

---

## Where Is A Debriefing Held?

---

The contracting officer is responsible for selecting a suitable location for the debriefing that ensures a professional presentation in a nondistracting environment.

A conference room will normally suffice. Obviously, the room must be equipped with the necessary audiovisual equipment that will be used during the debriefing. The contracting officer should consult with the offeror to ensure that adequate seating will be available for all personnel attending. If classified material will be discussed, appropriate arrangements must be made.

Although face-to-face debriefings are frequently preferable, it is appropriate to conduct debriefings by telephone or other electronic means. Sometimes, it will be financially prohibitive for the offeror to attend in person. The needs of the offeror should be afforded due consideration, but the contracting officer makes the final decision as to the debriefing location.

If some of the government personnel are located at an installation other than the contracting office, the contracting officer may decide that those individuals' attendance is best accomplished by telephone or

videoconference. The possibilities are endless--make use of available technology and do what makes sense!

## **Who Attends A Debriefing?**

### ***Government Personnel***

The contracting officer is responsible for chairing the debriefing. This doesn't mean that the contracting officer must conduct the entire debriefing. In fact, usually the contracting officer will rely on government technical and cost/price personnel to present the portions of the debriefing that address those specialized areas of the offeror's proposal. The debriefing should be conducted with only one offeror at a time.

The contracting officer identifies the Government debriefing team members. The selection is based on the complexities presented in each acquisition. The key is to ensure that knowledgeable Government personnel are present. Because of the statutory requirement for a prompt debriefing, the contracting officer should tentatively select the team before the contract award is announced.

When determining the composition of the team, you must keep in mind the objectives of a meaningful debriefing. Above all, the Government must display that it fully understood the offeror's proposal. If this is not conveyed, the offeror will obviously have little confidence in the conduct of the acquisition. Many debriefings have failed merely because the contracting officer did not ensure appropriate Government personnel were present.

### **Involve government legal counsel in debriefings**

The contracting officer's legal counsel should attend the debriefing. Legal counsel should also assist in the preparation of the debriefing. If the acquisition is in litigation or under protest, legal counsel must attend the debriefing. Legal counsel should be informed of any indicators that a protest is likely. However, the contracting officer will not deny a debriefing because a protest is threatened or has already been filed.

### ***Debriefed Offeror Personnel***

The contracting officer should ask an offeror scheduled for a debriefing to identify all individuals by name and position who will attend the debriefing. Normally, no limitation should be placed on the personnel the debriefed offeror may bring to a debriefing. Nonetheless, space limitations of Government facilities may require restrictions in extraordinary cases on the number of offeror personnel invited to attend. The contracting officer should not impose restrictions unless the contracting officer has determined that all suitable alternate facilities are unavailable.

There may be times when you should consider offering to have high level officials from the requiring activity present at the debriefing if the offeror in turn agrees to have commensurate management officials present. This has proven effective

when high level officials were substantially involved in the acquisition or the acquisition received extensive high-level visibility or scrutiny.

## Preparing For A Debriefing

**A debriefing requires preparation!**

Only the foolhardy will attempt to conduct a debriefing unprepared. Experience has shown that going into a debriefing unprepared is the surest way to lose the confidence of the offeror and increase the prospects of a protest.

Because debriefings are time sensitive, preparation must begin before proposal evaluation is complete. Usually, the proposal evaluation board will assist you in preparing debriefing charts and conducting the debriefing. Accordingly, at the time the evaluation board is formed, you must inform the evaluators that their duties include assisting with debriefings.

Preparation for the debriefing should be thorough. Debriefings permit offerors to learn their strengths and weaknesses and how to improve future Government proposals. Offerors may also rely, however, on these sessions to influence their decision regarding filing a protest. An effective debriefing can often deter a protest by demonstrating that the

Government conducted a thorough, fair evaluation and made a sound decision according to the established solicitation evaluation methodology.

The extent of preparation necessary varies considerably with the complexity of each acquisition. Sometimes, merely preparing debriefing charts is sufficient. Other times, dry run rehearsals are necessary.

Finally, all government personnel attending the debriefing must be briefed on their roles and expected demeanor during the debriefing. Argumentative or overly defensive conduct should be discouraged, and Government personnel should be instructed to make a positive presentation.

## What Materials Should Be Brought Into the Debriefing Room?

Debriefing material normally consists of briefing charts and notes prepared for use during the debriefing.

- Experience has shown that Government personnel should **NOT** bring the following materials into the debriefing room:
- Proposals of other offerors, and
- Proposal evaluation reports of other offerors' proposals.

The presence of these documents can lead to the inadvertent disclosure of proprietary information and prohibited point-by-point comparisons of proposals.

Experience has also shown that a faulty memory or misstatements by Government personnel are detrimental to a successful debriefing. Thus, contracting officers must ensure that necessary notes or other documents are accessible during the debriefing.

## Debriefing the Unsuccessful Offeror

*"Blueprints" Link, "Typical Unsuccessful Offeror Debriefing Charts - Post Award"*

---

### Who's in Charge?

---

The contracting officer is responsible for the debriefing and as such must never lose control of the debriefing.

---

### Introduction

---

The debriefing should begin with a brief introduction of all attendees. You should then explain the purposes of the debriefing. (**Refer to: What is a debriefing?**)

---

### Ground Rules

---

Next, you should inform everyone of the ground rules for the debriefing, any time constraints, and the debriefing agenda.

---

### Handling Questions

---

During both preaward and postaward debriefings, the debriefed offeror is permitted to ask relevant questions pertaining to whether the Government followed the source selection

procedures set forth in the solicitation, applicable regulations, and other applicable authorities. Often, contracting officers request that questions from the debriefed offeror's personnel be funneled to the debriefed offeror's main spokesperson who will ask all the questions. This practice is permissible and, in fact, often enhances the orderly conduct of a debriefing.

The contracting officer must make every effort to provide reasonable responses to those questions. However, caution must be exercised not to inadvertently disclose proprietary information of other offerors.

Normally, responses should stay within the confines of the guidance stated above. If the contracting officer is unprepared to answer a specific question at the debriefing, the contracting officer should obtain the answer immediately following the debriefing and promptly furnish it to the offeror. To avoid this, you may find it helpful to request written questions ahead of time to use in preparing for the debriefing.

Because the debriefing is the forum for answering reasonable questions, offerors should not be invited to submit questions after the debriefing.

---

### Source Selection Process

---

The process used in evaluating proposals, establishing the competitive range, and selecting the awardee should be briefly explained.



When conducting a postaward debriefing, the source selection authority normally should be identified by name. The identities of the evaluators, other than those present at the debriefing, are normally not disclosed. Nonetheless, the Government must convey to the offeror that the proposals were evaluated by qualified personnel.

### **Evaluation Factors/Subfactors**

The evaluation factors and subfactors disclosed in the solicitation should be restated as the foundation for discussing the evaluation results.

### **Evaluation Results**

The source selection information disclosed at debriefings for an unsuccessful offeror is governed by law, regulation and the sound discretion of the contracting officer. If the contracting officer observes the following guidelines for pre and postaward debriefings, there should be little concern about inadvertently disclosing unauthorized proprietary information.

#### ***Preaward Debriefings***

At a minimum, the following information will be disclosed:

**(1) The evaluation results of significant elements in the debriefed offeror's proposal.**

What are significant elements? If the element was significant enough to eliminate the offeror from the competitive range, it is probably significant for debriefing purposes. Include in your discussion positive elements of the offeror's proposal to help him improve future proposals.

**(2) Summary of the rationale for eliminating the offeror from the competition.**

### ***What CANNOT Be Disclosed! (Preaward)***

In addition to the information that may NOT be disclosed in postaward debriefings (see What CANNOT be Disclosed! (Postaward)), ***by law the following information may not be disclosed in a preaward debriefing:***

- (1) The number of offerors;**
- (2) The identity of other offerors;**
- (3) The content of other offeror's proposals;**
- (4) The ranking of other offerors;**
- (5) The evaluation of other offerors.**

## ***Postaward Debriefings***

At a minimum, the following information will be disclosed:

**(1) The deficiencies and significant weaknesses of the debriefed offeror's proposal.**

When is a weakness significant? If the weakness was of significant enough concern to warrant its discussion during the negotiation phase of the acquisition, it is probably significant for debriefing purposes as well. Whereas, if it wasn't significant enough to warrant discussion, it is not significant for debriefing purposes either, unless, of course the weakness was created in the final proposal revision. It is also a good practice to discuss the significant advantages of the debriefing offeror's proposal.

**(2) The evaluation ratings of the debriefed offeror and awardee--but only to the second level of evaluation.**

If the evaluation board used adjectival ratings, the adjectives and their definitions contained in the evaluation plan should be disclosed. If numerical ratings or color codings were used instead, they should be disclosed likewise.

*What is the second level of evaluation?* For example, assume the solicitation sets forth the following four evaluation factors: Management, Technical, Integrated Logistics Support (ILS), and Past Performance. This is the first level of evaluation and the overall ratings for each of the four factors would be disclosed.

If several subfactors were separately rated under a factor (such as Management Approach, Proposed Staffing, and Past Corporate Experience in the Management factor), then those subfactors constitute the second level of evaluation and their ratings should also be released.

The evaluation ratings at the third and fourth levels of evaluation of the awardee's proposal should normally not be revealed. If ratings are revealed at these lower levels, it is conceivable that the contracting officer may run afoul of the statutory prohibition against point-by-point comparisons of proposals.

Ratings of the debriefed offeror's proposal may be revealed to these lower levels if necessary to explain the rationale for the award decision. Be prepared to explain the rationale for the ratings of the debriefed offeror's proposal.

**(3) The government's total evaluated costs/prices of the debriefed offeror's proposal.**

The total evaluated costs/prices of the debriefed offeror's proposal should be disclosed for each contract line item (CLIN), and an explanation given for any significant cost realism adjustments made by the Government at the major cost element level.

#### **(4) The total evaluated costs/prices of the awardee's proposal.**

The awardee's total proposed and evaluated costs/prices for each CLIN should be disclosed.

DO NOT disclose the specific Government cost/price adjustments to the awardee's proposed cost/prices.

#### **(5) Overall ranking of all proposals.**

If the source selection authority ranked the proposals (i.e., the best overall proposal, 2d best, etc.), the overall ranking of all proposals must be revealed. However, the identities of the other unsuccessful offerors should not be revealed. Refer to those offerors by alphanumerical letters or other designators.

#### **(6) Rationale for award decision.**

The Government must disclose a summary of the rationale for the contract award decision. The rationale is contained in the source selection authority's (SSA) decision memorandum. Contracting officers should furnish the debriefed offeror a copy of the SSA's memorandum, if requested. However, evaluation information concerning the other unsuccessful offerors and proprietary information of the award must be redacted prior to release.

Identify the significant advantages of the awardee's proposal in general terms without revealing confidential proprietary information contained in the awardee's proposal. (**See below, What CANNOT Be Disclosed!**)

#### **(7) The make and model of any commercial end items proposed by the awardee.**

If the awardee's proposal includes a commercial item that is an end item under the contract, the make and model of the item must be disclosed.

### **Information Pertaining To Other Unsuccessful Offerors That May Be Released (Postaward)**

*Under certain circumstances, you may release other information such as the final overall ratings for noncost factors and/or the final evaluated cost/price of the other unsuccessful offerors. Release of the overall noncost ratings is discretionary. However, release of the total final evaluated cost/price is limited to those situations where an unsuccessful offeror consents or the agency determines that the unsuccessful offeror, after consulting with it, would not suffer competitive harm from such a release. The decision to release any of this information must be made on a case-by-case basis with guidance from your legal office.*

### **What CANNOT Be Disclosed! (Postaward)**

By law a debriefing may NOT include point-by-point comparisons of the debriefed offeror's proposal with the other proposals. If the ratings of the proposals of the debriefed offeror and the awardee are disclosed only to the second level of evaluation, this prohibition should not present a problem.

Also by law, debriefings may NOT disclose information that is exempt from release under the Freedom of Information Act (FOIA) relating to:

- (1) Trade secrets;
- (2) Privileged or confidential manufacturing processes and techniques;
- (3) Commercial and financial information that is privileged or confidential, including cost breakdowns, profits, indirect cost/rates, and similar information; and
- (4) Names of individuals providing reference information about an offeror's past performance.

This information is normally referred to as "**proprietary information**."

Proprietary information means information contained in a proposal or otherwise submitted to the Government that the submitter has marked as proprietary. Proprietary information does NOT include information that is otherwise available without restriction to the Government or the public. If you believe that information marked proprietary is not truly proprietary, you should contact the assigned legal advisor for an appropriate determination before the information is released.

## **Debriefing the Awardee**

Although debriefing an awardee is similar in many respects to debriefing an unsuccessful offeror, there is one significant difference--very little information

is revealed regarding the proposals of the unsuccessful offerors.

As discussed in **Debriefing The Unsuccessful Offeror**, the following outline is suggested:

- Introduction.
- Explain the purposes of the debriefing.
- Announce the ground rules.
- Summarize the source selection process that was used.
- State the proposal evaluation factors and subfactors.
- Reveal the evaluation results:
  - (1) The significant advantages of the awardee's proposal.
  - (2) The significant weaknesses of the awardee's proposal.
  - (3) The evaluation ratings of the awardee's proposal to the second level of evaluation. Explain the rating definitions.
  - (4) The Government's total evaluated costs/prices of the awardee's proposal for each Contract Line Item (CLIN). Explain significant cost realism adjustments made by the Government to the major cost element level.
- A summary of the rationale for the contract award decision.
- The overall ranking of all proposals (if overall rankings were made during source selection), but do not identify the unsuccessful offerors by name.

- Answer relevant questions pertaining to whether the Government followed the source selection procedures set forth in the solicitation, applicable regulations, and other authorities.

## The Postdebriefing Memorandum

The contracting officer must include a summary of each debriefing in the contract file. Good postdebriefing memorandums are essential if the acquisition is reopened or resolicited as a result of a protest or otherwise within 1 year of the contract award date.

In those circumstances, the law requires that the contracting agency make available to all offerors information regarding the proposal of the awardee that was provided to other offerors at debriefings on the prior contract. This requirement is designed, in part, to place all offerors on a level playing field. Thus, the need for good postdebriefing memorandums is apparent.

The postdebriefing memorandum should include at a minimum:

- A list of all persons who attended the debriefing.
- A summary of the information disclosed during the debriefing. The most efficient means for doing this is to identify the charts that were used at the debriefing and attach a copy of them to the memorandum.

AMC-P 715-3

- The substance of all questions and answers discussed at the debriefing. Include answers provided after the debriefing.

**United States Army Materiel Command  
5001 Eisenhower Avenue  
Alexandria, Virginia 22333-0001**